

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3 CENTRAL ILLINOIS LIGHT COMPANY) DOCKET NOS.
 d/b/a AmerenCILCO) 09-0306
4) &
 CENTRAL ILLINOIS PUBLIC SERVICE) 09-0307
5 COMPANY d/b/a AmerenCIPS) &
) 09-0308
6 ILLINOIS POWER COMPANY) &
 d/b/a AmerenIP) 09-0309
7) &
 Proposed general increase in) 09-0310
8 electric delivery service rates.) &
 (Tariffs filed June 5, 2009)) 09-0311
9)
 Proposed general increase in gas) (CONSOLIDATED)
10 delivery service rates.)
 (Tariffs filed June 5, 2009))

11 Springfield, Illinois

12 Thursday, December 17, 2009

13
14 Met, pursuant to notice, at 9:00 a.m.

15 BEFORE:

16 MR. JOHN ALBERS & MR. J. STEPHEN YODER,
17 Administrative Law Judges

18
19 SULLIVAN REPORTING COMPANY, by
20 Laurel A. Patkes, Reporter
 CSR #084-001340
21 -and
 Carla J. Boehl, Reporter
22 CSR #084-002710

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1 PROCEEDINGS

2 JUDGE ALBERS: By the authority vested in me by
3 the Illinois Commerce Commission, I now call Docket
4 Number 09-0306 through and including 09-0311. These
5 dockets concern the general increase -- the requested
6 general increase in gas and electric rates for
7 Central Illinois Light Company d/b/a AmerenCILCO,
8 Central Illinois Public Service d/b/a AmerenCIPS and
9 Illinois Power Company d/b/a AmerenIP.

10 May I have the appearances, please?

11 MR. WHITT: Your Honor, on behalf of the Ameren
12 Illinois Utilities, Mark Whitt and Christopher
13 Kennedy.

14 MR. STURTEVANT: Also on behalf of the Ameren
15 Illinois Utilities, Albert Sturtevant, Christopher
16 Flynn, Peter Trombley and Mark DeMonte of Jones Day.

17 MR. BALOUGH: On behalf of the Cities of
18 Champaign, Urbana, Bloomington and Decatur and the
19 Town of Normal, Richard C. Balough.

20 MR. E. ROBERTSON: On behalf of the Illinois
21 Industrial Energy Consumers, Eric Robertson, Ryan
22 Robertson, Lueders, Robertson and Konzen, and Conrad

1 Reddick.

2 MR. OLIVERO: Appearing on behalf of the Staff
3 witnesses of the Illinois Commerce Commission,
4 Jennifer Lin, Janis Von Qualen and Jim Olivero.

5 MR. FITZHENRY: Edward Fitzhenry and Matthew R.
6 Tomc, T-O-M-C, on behalf of the Ameren Illinois
7 Utilities.

8 JUDGE ALBERS: Any others? Let the record show
9 no response.

10 MR. DONOVAN: Your Honor, there are some folks
11 on the phone.

12 JUDGE ALBERS: There is one more in
13 Springfield.

14 MR. BOROVIK: Appearing on behalf of the People
15 of the State of Illinois, Michael R. Borovik, B like
16 Boy, O-R-O-V like Victor, I-K, 100 West Randolph
17 Street, Chicago, Illinois 60601.

18 JUDGE ALBERS: And on the phone?

19 MR. DONOVAN: On behalf of Constellation New
20 Energy Gas Division, LLC, Joseph E. Donovan,
21 D-O-N-O-V-A-N, 100 Constellation Way, Baltimore,
22 Maryland 21202.

1 JUDGE ALBERS: Any others? Let the record show
2 no response.

3 As far as preliminary matters, the
4 only one I have is a brief one. And I believe this
5 leads into our first witness. The City's motion
6 regarding Mr. Brodsky's appearance by telephone, it
7 is my understanding this has been worked out.

8 MR. BALOUGH: It has been worked out, and we
9 will withdraw the motion and agree to do it by brief.

10 JUDGE ALBERS: Okay. Any other preliminary
11 matters? All right.

12 Hearing none, we will get to our first
13 witness then. I believe, Mr. Donovan, the floor is
14 yours.

15 MR. DONOVAN: Thank you, Your Honor. Your
16 Honor, logistically it is my understanding, if this
17 is incorrect, please let me know there would be no
18 objection to us submitting our prefiled exhibits by
19 way of stipulation into the record, rather than
20 having to go through the foundation with the witness.
21 But I will take whatever path it is you would like me
22 to follow.

1 JUDGE ALBERS: Do you have him available even?

2 MR. DONOVAN: He is available on the phone,
3 Your Honor, and we have also submitted an exhibit
4 that would be an affidavit in support of his prefiled
5 testimony.

6 JUDGE ALBERS: Okay, thank you. The affidavit
7 is fine, assuming there is no questions for him, no
8 objections to that?

9 MR. KENNEDY: No objection.

10 JUDGE ALBERS: Why don't you go ahead and
11 identify the exhibits and the affidavit, please.

12 MR. DONOVAN: Very well. Your Honor, on
13 September 28, 2009, CNE Gas Division, LLC, submitted
14 CNE Gas Exhibit 1.0 which is a 25-page document
15 consisting of the Direct Testimony of Jason R.
16 Kawczynski.

17 In addition, on that same date we
18 filed CNE Gas Exhibit 1.1, the resume' of
19 Mr. Kawczynski, and CNE Gas Exhibit 1.2 which is
20 referred to in his testimony as the Illinois Utility
21 Critical Day/OFO Notice Tariffs. Those documents
22 were all filed on September 28, 2009. They are

1 publicly available document. There is no
2 confidential version, and there have been no
3 corrections or revisions to those documents since
4 submission.

5 In addition, on November 20, 2009, CNE
6 Gas Division, LLC, submitted CNE Gas Exhibit 2.0, the
7 Rebuttal Testimony of Jason R. Kawczynski. This is a
8 24-page document. In addition, on that same date CNE
9 Gas submitted CNE Gas Exhibit 2.1 which is the Ameren
10 Illinois Utilities response to CNE Gas Data Request
11 CNEG 2.01. Both of those documents, Your Honor, were
12 filed on November 20, 2009. They are publicly
13 available documents. There is no confidential
14 version, and there have been no corrections or
15 revisions to those documents since submission.

16 In addition, on December 10, 2009, CNE
17 Gas submitted CNE Gas Exhibit Number 3.0 which is the
18 supporting affidavit of Mr. Kawczynski in support and
19 laying foundation for the prior listed exhibits.
20 That is a publicly available document. There have
21 been no corrections or revisions to that document.

22 Your Honor, I understand that there

1 would not be objection to submission of these
2 exhibits via stipulation and would so move them into
3 the record.

4 JUDGE ALBERS: Okay. No objection then?

5 So the exhibits as you have identified
6 them are admitted into the record.

7 (Whereupon CNE Gas Exhibits 1.0,
8 1.1, 1.2, 2.0, 2.1 and 3.0 were
9 admitted into evidence.)

10 MR. DONOVAN: Thank you, Your Honor.

11 JUDGE ALBERS: Anything further from
12 Constellation?

13 MR. DONOVAN: At this point, no.

14 JUDGE ALBERS: Thank you, Mr. Donovan. And now
15 Mr. Balough.

16 MR. BALOUGH: Yes. Mr. Brodsky, are you on the
17 line?

18 (Pause.)

19 MR. BRODSKY: Hello, this is Steve Brodsky.

20 MR. BALOUGH: Your Honor, Mr. Stephen Brodsky
21 is on his cell phone. Would you like to swear him
22 in?

1 JUDGE ALBERS: Yes. Mr. Brodsky, would you
2 please stand and raise your right hand?

3 MR. BRODSKY: Yes.

4 (Whereupon the witness was duly
5 sworn by Judge Albers.)

6 STEPHEN F. BRODSKY
7 called as a witness on behalf of City Intervenors,
8 having been first duly sworn, was examined and
9 testified as follows:

10 DIRECT EXAMINATION

11 BY MR. BALOUGH:

12 Q. Mr. Brodsky, could you please state your
13 name for the record.

14 A. Stephen Frank Brodsky.

15 Q. Mr. Brodsky, did you cause to be filed in
16 this case Cities Exhibit 1.0R which is a copy of your
17 direct testimony with affidavit and Appendix FB-1 and
18 this is a revised version?

19 A. Yes.

20 Q. And did you also file rebuttal testimony
21 that has been marked as Cities Exhibit 3.0?

22 A. Yes.

1 Q. Mr. Brodsky, if I were to ask you these
2 questions that appear in your prefiled testimony
3 today, would your answers be the same?

4 A. Yes.

5 Q. And were these two exhibits prepared by you
6 or under your supervision?

7 A. Yes, they were.

8 MR. BALOUGH: Your Honor, at this time I would
9 offer Cities Exhibit 1.0R and Cities Exhibit 3.0R,
10 the direct and rebuttal testimony of Stephen F.
11 Brodsky.

12 JUDGE ALBERS: Any objection at this time?

13 Hearing none, we have a little bit of
14 cross examination for you, Mr. Brodsky.

15 CROSS EXAMINATION

16 BY MR. KENNEDY:

17 Q. Good morning, Mr. Brodsky. My name is
18 Chris Kennedy. I will be the only one asking you
19 questions today. I am here on behalf of the Ameren
20 Illinois Utilities. I would like to talk to you
21 about only one topic this morning, your opinion about
22 the investment dollars that were spent by AmerenIP

1 per customer.

2 Now, in your rebuttal testimony,
3 Cities Exhibit 3, you testify that the amount
4 AmerenIP spends per customer on maintaining its
5 electric system declined between 2006 and 2009,
6 correct?

7 A. Yes, that's correct.

8 Q. And at lines 98 to 100 you go on to testify
9 that, quote, If such trend continues over time, then
10 it is entirely likely that the reliability of
11 electric service to the Cities' constituents will
12 also decline, end quote, correct?

13 A. Correct.

14 Q. Now, on page 7 of your rebuttal testimony
15 Exhibit 3, you state or list the dollars spent by
16 AmerenIP per customer on maintenance and system
17 improvement investments for the years 2006, 2007,
18 2008 and 2009, correct?

19 A. Correct.

20 Q. Now, according to your chart, the total
21 dollar amount spent by AmerenIP per customer on
22 maintenance and system improvement investments has

1 increased between 2007 and 2009, correct?

2 A. That's correct.

3 Q. If you look at the chart in your rebuttal

4 exhibit, it states that AmerenIP spent approximately

5 \$86 per customer in 2007?

6 A. That's correct.

7 Q. Approximately \$105 per customer in 2008?

8 A. That's correct.

9 Q. And approximately \$122 per customer in

10 2009?

11 A. I believe 2009 states \$112, approximately.

12 Q. Thank you, Mr. Brodsky. Now, you did not

13 formulate an opinion about AmerenIP's investments

14 prior to the year 2006, correct?

15 A. That is correct. And the reason why, of

16 course, is that AmerenIP acquired the system in late

17 2004.

18 Q. Thank you, Mr. Brodsky, for clarifying. In

19 response to AIU -- in response to data request

20 AIU-CIT 2.1a, you stated that it was your opinion

21 that maintenance investment data for 2004 and 2005

22 may not be comparable to subsequent years?

1 A. That is correct. And, again, the reason
2 for that is, because AmerenIP acquired the system in
3 late 2004, it seemed unreasonable to include those
4 years in the data.

5 Q. Correct. In your response you said you did
6 not consider 2004 data because it reflects only three
7 months of data after the AIU's acquisition of IP,
8 correct?

9 A. Correct.

10 Q. And you go on to state in that data
11 response, subject to your check, that you did not
12 consider 2005 data because, quote, maintenance
13 investment data for the year 2005 could
14 hypothetically be affected by issues that pertain to
15 the acquisition, correct?

16 A. Correct.

17 Q. Now, Mr. Brodsky, you are familiar with the
18 work performed by AmerenIP in the Champaign area
19 after its acquisition of IP?

20 A. I am generally familiar with the work
21 performed by AmerenIP.

22 Q. You are aware that Ameren entered into a

1 settlement agreement with the Cities of Champaign and
2 Urbana which required Ameren to conduct an audit of
3 the IP electrical system?

4 A. I am generally aware of it, yes.

5 Q. Are you aware that the settlement agreement
6 required Ameren to complete the audit recommendations
7 for correcting, improving or upgrading its electrical
8 system?

9 A. I have a general awareness of it, yes.

10 Q. The settlement agreement also required
11 Ameren, subject to your check, to spend a minimum of
12 \$12 million on system improvements for the IP's
13 distribution electrical system in the
14 Champaign-Urbana area in 2005 and 2006?

15 A. I don't have that data in front of me, so I
16 can't confirm the number.

17 Q. But subject to your check you will take my
18 representation to be true and accurate?

19 A. I will take it under consideration.

20 Q. The settlement agreement also required
21 Ameren to spend approximately two million additional
22 dollars on projects that were designated by the

1 Cities of Champaign and Urbana, correct?

2 A. Yes.

3 Q. Yes?

4 A. Yes.

5 Q. Now, you were the consultant that the City

6 has hired to evaluate Ameren's work pertaining to the

7 audit, correct?

8 A. Yes, that's correct.

9 Q. And you consulted the Cities on the

10 technical aspects of IP's electrical system?

11 A. Yes, I did.

12 Q. And you helped to develop the audit's

13 requirements?

14 A. I had a role in it, yes.

15 Q. And you had a role in also formulating the

16 additional projects that the Cities designated to

17 improve the reliability of the IP's electrical

18 system?

19 A. Yes, that's correct.

20 Q. Now, the total investment dollars spent by

21 AmerenIP per customer in 2005 and 2006 would include

22 the dollars spent to conduct the work required by the

1 audit and settlement agreement, would you agree with
2 that?

3 A. Not necessarily. I did not see any
4 after-the-fact accounting. So I am unable to comment
5 on how much was spent and whether or not the full
6 amount required was spent.

7 Q. But would you agree that any amount that
8 was spent during those years would have been included
9 in the 2005 and 2000 data for amounts spent per
10 customer on investments?

11 A. Hypothetically. But, again, without seeing
12 any data that shows the additional 12 million above
13 what would be spent otherwise, I am unable to confirm
14 that data.

15 Q. Thank you. But as we discussed prior to
16 your analysis here, you did not consider or look at
17 any investment dollars that were spent in 2005,
18 correct?

19 A. That is correct. The testimony focuses on
20 2006, 2007, 2008 and 2009. And just to point out, in
21 your question earlier, you omitted 2006.

22 Q. Thank you, Mr. Brodsky. In general would

1 you agree with the proposition that a utility's
2 maintenance and system improvement investments are
3 not constant or would not be constant year by year?

4 A. Generally, they will fluctuate for a number
5 of factors. For example, you have the escalation in
6 the cost of labor which would drive maintenance
7 figures upward. You also have the potential for
8 increase in the costs of material used in
9 maintenance, and that would also be a driver causing
10 maintenance dollars to increase.

11 Q. So let me rephrase the question. It is
12 correct that maintenance and system improvements for
13 any particular utility could vary from year to year,
14 correct?

15 A. Hypothetically, they could vary from year
16 to year.

17 Q. And there are a number of factors, as you
18 stated, that could affect that level of investment,
19 correct?

20 A. That's correct. There are a number of
21 factors.

22 Q. And would you agree that a utility's

1 investment in its system could vary from year to year
2 due to unexpected events such as number of storms in
3 its service territories?

4 A. That is a possibility, yes.

5 Q. And the total -- would you agree that the
6 total investment dollars spent per customer as
7 reported by the Ameren Illinois Utilities would
8 include the dollars that were spent on storm repairs?

9 A. We actually tried to clarify that through
10 the data request. If you look at Cities 2. -- I have
11 it in front of me here. There is a series of
12 questions where we received data from AmerenIP or
13 rather AIU, and there was a clarifying question that
14 inquired about storm data.

15 Q. Well, let me withdraw the question and ask
16 a different question. Would you agree that one
17 indicator of the reliability of an electric utility
18 system would be data concerning the utility's worst
19 performing circuits?

20 A. That would be one indicator of a current
21 year.

22 Q. Would you agree that another indicator of

1 liability would be the utility's system average
2 interruption frequency index?

3 A. Are you referring to SAIDA?

4 Q. Yes.

5 A. SAIDI?

6 Q. Yes.

7 A. Yes.

8 Q. Would you agree that another indicator of
9 liability would be the utility's CAIDI or the
10 customer average interpretation duration index?

11 A. I would, though I would clarify by pointing
12 out that SAIDI, CAIDI, CAIFI and other indices
13 pertain to a given year that's current. And when we
14 talk about the maintenance investments, we are also
15 contemplating investments for the future.

16 Q. Thank you for that clarification,
17 Mr. Brodsky. You also mention CAIFI; you would agree
18 that another indicator of liability would be the
19 utility's CAIFI or customer average interruption
20 frequency index, correct?

21 A. Correct.

22 Q. Now, your testimony doesn't discuss

1 AmerenIP's worst performing circuit data?

2 A. It does not.

3 Q. And it doesn't discuss the AmerenIP's

4 SAIFI?

5 A. It does not.

6 Q. Or CAIDI?

7 A. It does not.

8 Q. Or AmerenIP's CAIFI?

9 A. It does not. To answer more fully, I

10 examined the data that AmerenIP has been providing to

11 the ICC in its annual report in regard to the

12 reliability indices, and I did not see a clear

13 pattern.

14 Q. But what I asked, though, was whether your

15 testimony discussed these factors that you have

16 submitted here today.

17 A. It did not.

18 Q. Mr. Brodsky, would you agree that each

19 utility could hypothetically have unique

20 characteristics which could cause differences in

21 maintenance investments on a per customer basis?

22 A. The question is a bit hypothetical.

1 Q. Well, in response to AIU-CIT Data Request
2 2.20, you responded, quote, each utility could
3 hypothetically have unique characteristics which
4 would cause differences in maintenance investments on
5 a per customer basis?

6 A. Yes, that's consistent.

7 Q. Would you agree that the make-up of the
8 utility's customer class could be one characteristic?

9 A. Hypothetically, yes.

10 Q. I am just speaking generally, Mr. Brodsky.
11 Would you also say hypothetically that a utility's
12 customer density would be one characteristic that
13 could cause differences in investment levels on a per
14 customer basis?

15 A. Hypothetically, yes.

16 Q. Hypothetically or generally speaking would
17 you agree that the make-up of the service territory
18 would be another characteristic, for example, whether
19 the utility services are in predominantly urban or
20 rural areas?

21 A. Hypothetically, yes.

22 Q. Now, your testimony does not discuss

1 AmerenIP's distribution expenses on a customer class
2 basis?

3 A. By customer class, are you referring to
4 residential, commercial and industrial?

5 Q. Yes, correct.

6 A. Then the answer to your core question is
7 that that is correct. I do not discuss performance
8 or investment on a customer class basis.

9 Q. And in your testimony you didn't discuss
10 AmerenIP's customer density relative to the other two
11 utilities, CILCO and AmerenCIPS?

12 A. No, not them specifically, though total
13 customer counts were included in the calculation of
14 maintenance system improvement investments on a per
15 customer basis.

16 MR. KENNEDY: One moment, Your Honor.

17 (Pause.)

18 BY MR. KENNEDY:

19 Q. Thank you, Mr. Brodsky. Sorry for the
20 wait.

21 Earlier we discussed whether a utility
22 hypothetically could have unique characteristics.

1 Would you agree that each utility actually has its
2 own unique characteristics in fact that could cause
3 differences in maintenance investment and system
4 improvement investments on a per customer basis?

5 A. No, I am unable to make that assertion.

6 Q. Well, you are not here to testify that
7 every utility has the same characteristics, are you,
8 Mr. Brodsky?

9 A. Well, we would have to look at beyond the
10 hypothetical and examine it on a case by case basis.

11 Q. Would you agree that you would have to look
12 at it on a case by case basis because every utility
13 is actually different?

14 A. I won't be able to answer the question
15 without first doing the analysis.

16 Q. And you haven't done that analysis here?

17 A. That's correct. Are you trying to --

18 Q. Now --

19 JUDGE ALBERS: Wait a minute. I think he is
20 asking for clarification. Go ahead, Mr. Brodsky.

21 A. Yes. We keep talking about utilities and
22 comparisons. Which utilities are you talking about?

1 Q. You haven't done the comparison here
2 between AmerenIP, AmerenCILCO and AmerenCIPS to look
3 at these characteristics of each utility?

4 A. In terms of characteristics of each utility
5 for AmerenIP, AmerenCIPS and AmerenCILCO, we looked
6 at the maintenance and system improvement investments
7 on a per customer basis.

8 Q. Thank you, Mr. Brodsky. You recommend that
9 the Commission monitor AmerenIP's annual maintenance
10 investments and system improvement investments,
11 correct?

12 A. Yes.

13 Q. Are you aware that Staff witness Mr. Greg
14 Rockrohr has submitted testimony in this proceeding?

15 A. Yes, I am.

16 Q. And it is true that Mr. Rockrohr does not
17 believe that your recommendation that the Commission
18 investigate AmerenIP's maintenance investments and
19 system improvement investments is warranted?

20 A. Well, one thing I noticed in Mr. Rockrohr's
21 work papers, and just to clarify, I am looking at
22 Mr. Rockrohr's response to Data Request Number

1 AIU-ICC 1.01 whereby he shows a calculation of
2 Illinois Power distribution O&M expenditures on a per
3 customer basis that do not match the data presented
4 by AIU that they provided to the Cities in its data
5 request.

6 Q. Thank you for that supplement, Mr. Brodsky.
7 But the question I asked is whether isn't it true
8 that Mr. Rockrohr does not agree with your
9 recommendation?

10 A. No, that's not entirely true.

11 MR. KENNEDY: All right. Well, thank you. I
12 will let Mr. Rockrohr's testimony speak for itself.
13 It is in the record.

14 That's all I have, Your Honor.

15 JUDGE ALBERS: Okay. Would you like to conduct
16 some redirect examination?

17 MR. BALOUGH: I have just a couple of
18 questions.

19 REDIRECT EXAMINATION

20 BY MR. BALOUGH:

21 Q. Mr. Brodsky, counsel discussed with you
22 SAIDI and CAIFI and other reliability indices. Why

1 did you not have that in your -- a discussion of that
2 in your testimony?

3 A. In the examination of data, two things came
4 about. One was that we had a relatively short period
5 to do analysis in this docket which limited how much
6 we could do in terms of breadth and depth.

7 Secondly, we did look at the
8 reliability data that Ameren presented to the ICC
9 through its annual report. And what we saw was the
10 data was generally volatile. There was no clear
11 pattern of improvement or degradation.

12 Q. And was this lack of clarity why you didn't
13 include that in any discussion in your testimony?

14 A. Yes. So, yes, though I would expand upon
15 that by pointing out that, you know, we look at
16 things like maintenance investments. Quite often,
17 there is -- it is quite likely to expect a lag
18 period. We invest in the maintenance of a system
19 today that may cause improvement to reliability in
20 the future, whereas looking at near term reliability
21 indices only tell you what's happened or the
22 consequence of investments that have happened in the

1 near past.

2 Q. You were also asked about the volatility of
3 maintenance expenses and in contrast to that storm
4 expenses. Can you explain -- well, is there a
5 difference between storm expenses and maintenance
6 expenses, and did you review that?

7 A. Yes, we did take that into consideration.
8 One thing that was disturbing in that regard is to
9 try to compare the data presented by Mr. Rockrohr and
10 the data presented by Mr. Justice in his response to
11 the Cities' data requests, and we saw that there was
12 inconsistencies in the data that pertained to O&M
13 expenditures.

14 Q. And what were those inconsistencies?

15 A. Well, for example, if we look at
16 Mr. Rockrohr's data, what we find is that in the year
17 2007, Mr. Rockrohr computes an investment on a per
18 customer basis for AmerenIP of approximately \$125 per
19 customer. Yet if we look at the data presented by
20 Mr. Justice, what we see in the year 2007 is only
21 approximately \$86 per customer. Taking it one step
22 further, if we look at the year 2008, Mr. Rockrohr's

1 analysis presents a number that is 153, approximately
2 \$153, per customer, while Mr. Justice shows a number
3 in the year 2008 that shows maintenance at \$105 per
4 customer, a very significant difference.

5 Mr. Rockrohr --

6 MR. KENNEDY: I am going to object, Your Honor,
7 that this entire line of questioning be stricken.
8 His testimony today that he submitted did not do an
9 analysis of Mr. Rockrohr's or Mr. Justice's data for
10 trying to reconcile the data. I feel like this is
11 improperly bolstering his direct testimony.

12 What I asked him concerning
13 Mr. Rockrohr was simply whether or not Mr. Rockrohr
14 agreed with his recommendation to investigate further
15 the maintenance in system improvement expenditures.
16 I didn't ask for his analysis of Mr. Rockrohr's data,
17 and I feel it is improper for him to give that right
18 now.

19 JUDGE ALBERS: Mr. Balough?

20 MR. BALOUGH: Your Honor, the questions that he
21 was asked by counsel had to do with -- he asked
22 questions about the fact that there was storm damage

1 in some of these years and how that affected
2 maintenance. I am asking him to just clarify what
3 difference he saw and why he didn't include those.

4 MR. KENNEDY: I didn't ask him any questions
5 about particular storms or particular storm data. I
6 simply asked him whether storms could be a factor
7 that could cause investment data to vary on a year by
8 year basis in the system.

9 JUDGE ALBERS: I am going to allow the
10 question. So the objection is overruled.

11 BY MR. BALOUGH:

12 Q. Again, Mr. Brodsky, were you done with your
13 answer there before you were interrupted?

14 A. The only thing I would point out is, in
15 addition, Mr. Justice included data for 2009 and
16 Mr. Rockrohr did not include the year 2009.

17 Q. You were asked a series of questions that
18 were phrased in a hypothetical concerning performance
19 on a customer basis, customer density and other such
20 characteristics. Why did you not include those
21 factors in your testimony?

22 A. The number of similarities and differences

1 between various systems is quite broad. The one
2 thing that is clear is there is a general close
3 proximity in terms of geography between AmerenCILCO,
4 AmerenCIPS and AmerenIP.

5 MR. BALOUGH: I have no other redirect.

6 JUDGE ALBERS: Any recross, Mr. Kennedy?

7 MR. KENNEDY: Could we have one moment?

8 JUDGE ALBERS: Yes.

9 (Pause.)

10 MR. KENNEDY: We have no recross, Your Honor.

11 JUDGE ALBERS: All right. Any objection then
12 to any of Mr. Brodsky's exhibits?

13 Hearing none, then Cities Exhibit
14 1.0R, 3.0 and 3.01 are admitted.

15 (Whereupon Cities Exhibits 1.0R,
16 3.0 and 3.01 were admitted into
17 evidence.)

18 JUDGE ALBERS: Thank you, Mr. Brodsky.

19 (Witness excused.)

20 Anything further from the Cities?

21 MR. BALOUGH: Yes, Your Honor, we have another
22 series of testimony to admit. Should I go ahead with

1 that right now or do you want to disconnect the
2 phone?

3 JUDGE ALBERS: Why don't we go ahead and do
4 that? Take a five-minute break and we will get the
5 phone disconnected.

6 (Whereupon the hearing was in a
7 short recess.)

8 JUDGE ALBERS: Back on the record. We will let
9 Mr. Balough take care of the rest of his testimony,
10 and then we will turn to Ms. Ebrey.

11 MR. BALOUGH: Thank you, Your Honor. The
12 Cities would offer Cities Exhibit 2.0 which is the
13 direct testimony of Nancy Heller Hughes. Her
14 affidavit for that testimony was actually attached to
15 the testimony and there is an appendix with that
16 testimony.

17 And we would also offer Cities Exhibit
18 4.0 which is the rebuttal testimony of Nancy Hughes.
19 Attached to that testimony is Cities Exhibit 4.01
20 which is her affidavit for the rebuttal testimony,
21 and Cities Exhibit 4.02 which are several AIU
22 responses to Cities Data Request 8.01. We would

1 offer those exhibits at this time.

2 JUDGE ALBERS: Any objection?

3 Hearing none, then the aforementioned
4 exhibits are admitted into the record.

5 (Whereupon Cities Exhibits 2.0,
6 4.0, 4.01 and 4.02 were admitted
7 into evidence.)

8 JUDGE ALBERS: Thank you, Mr. Balough. Staff
9 -- oh, I am sorry, Mr. Stowe is next. You were sworn
10 in earlier?

11 MR. STOWE: No, I wasn't.

12 JUDGE ALBERS: If you are going to testify
13 today, please stand and raise your right hand.

14 (Whereupon the witnesses were
15 duly sworn by Judge Albers.)

16 JUDGE ALBERS: Thank you.

17 MR. E. ROBERTSON: I call Mr. David Stowe to
18 the stand, please, Your Honor.

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DAVID STOWE

called as a witness on behalf of the Illinois
Industrial Energy Consumers, having been first duly
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. E. ROBERTSON:

Q. Mr. Stowe, by whom are you employed?

A. By Brubaker and Associates.

Q. And on whose behalf are you appearing here
today?

A. IIEC.

Q. And I show you now what has been marked as
IIEC Exhibit 4.0, the Direct Testimony of David
Stowe, and ask you whether or not you are familiar
with that document.

A. Yes, I am.

Q. And was it prepared under your supervision
and at your direction?

A. Yes.

Q. And is the information contained therein
true and correct to the best of your knowledge and
belief?

1 A. Yes.

2 Q. I show you now what has been marked as IIEC

3 Exhibits 4.1 and 4.2 which are attached to IIEC

4 Exhibit 4.0 and ask you whether or not you are

5 familiar with those exhibits.

6 A. Yes, I am.

7 Q. And were they prepared under your

8 supervision and at your direction?

9 A. Yes.

10 Q. Is the information contained therein true

11 and correct to the best of your information and

12 belief?

13 A. Yes.

14 Q. Does IIEC Exhibit 4.0, 4.1 and 4.2

15 constitute your direct testimony in this case?

16 A. Yes.

17 Q. I show you now what has been marked as IIEC

18 Exhibit 8.0-C, the Rebuttal Testimony of IIEC witness

19 David L. Stowe. Are you familiar with that document?

20 A. Yes.

21 Q. Was it prepared under your supervision and

22 at your direction?

1 A. Yes.

2 Q. And is the information contained therein
3 true and correct to the best of your information and
4 belief?

5 A. Yes.

6 Q. I also show you IIEC Exhibit 8.1, 8.2 and
7 8.3. And are those exhibits attached to your
8 rebuttal testimony?

9 A. Yes, they are, with this clarification.
10 Exhibit 8.1 is actually confidential, so it is
11 identified as 8.1 confidential.

12 Q. All right. And there is a public version
13 and a confidential version of that document that's
14 filed on e-Docket, is that correct?

15 A. Yes.

16 Q. And IIEC Exhibit 8.1 is a document that was
17 furnished by Ameren, is that correct?

18 A. That's correct.

19 Q. And were IIEC Exhibits 8.2 and 8.3 prepared
20 under your supervision and at your direction?

21 A. IIEC Exhibit 8.2 is a series of data
22 responses by Ameren to IIEC. So those were not

1 accomplished under my direction, but IIEC Exhibit 8.3
2 was.

3 Q. Those represent responses provided by
4 Ameren to your discovery?

5 A. That is correct, 8.2.

6 Q. To the best of your knowledge is the
7 information contained in those exhibits true and
8 correct?

9 A. Yes.

10 Q. And does IIEC Exhibit 8.0-C, 8.1, 8.2 and
11 8.3 constitute your rebuttal testimony in this case?

12 A. Yes.

13 MR. E. ROBERTSON: I would move the admission
14 of IIEC Exhibits 4.0, 4.1 and 4.2 and IIEC Exhibits
15 8.0-, 8.1, 8.2 and 8.3 into the record subject to
16 cross examination.

17 JUDGE ALBERS: Any objections at this time?

18 Hearing none, we will hear the cross
19 exam.

20 CROSS EXAMINATION

21 BY MR. TOMC:

22 Q. Good morning, Mr. Stowe.

1 A. Good morning.

2 Q. My name is Matt Tomc, and I represent the
3 Ameren Illinois Utilities, and I have a few questions
4 regarding your testimony this morning.

5 Mr. Stowe, first I would just turn
6 your attention to Appendix A to your direct testimony
7 which is a statement of your qualifications.

8 A. Okay.

9 Q. And I would further direct you to the
10 paragraph that runs, starting on line 33 through line
11 40, you indicate that you worked for Aquila and your
12 responsibilities included maintaining the cost of
13 service models for Aquila's electric service
14 territories?

15 A. That is correct.

16 Q. Does Aquila -- let me rephrase that. Was
17 Aquila a holding company that owned subsidiary
18 utility companies?

19 A. Yes.

20 Q. And how many utilities did they operate?

21 A. They had four electric companies, and I
22 believe -- I don't know the exact count of the gas

1 companies.

2 Q. Who are the electric companies -- do you
3 recall the names of those utilities?

4 A. Yes. The company in Colorado was called
5 West Plains Colorado; we referred to it as WPC. The
6 company in Kansas was West Plains Kansas, referred to
7 as WPK; and then there were two utilities in the
8 state of Missouri. One is Missouri Public Service
9 which we referred to as Aquila MPS, and the other one
10 is a company we had purchased from St. Joe Light and
11 Power.

12 Q. Thank you. And you maintained the cost of
13 service models for each of those companies, did you?

14 A. Yes.

15 Q. And those cost of service models, did you
16 create those or did you acquire those from an outside
17 source?

18 A. The models themselves, the software that we
19 use to build the cost of service study was purchased
20 from a company in Texas called Threshold Associates.
21 And the model itself was an acronym built off the
22 phrase Threshold Associates Cost of Service which the

1 acronym was TACOS.

2 Q. Thank you. Given your expertise,
3 Mr. Stowe, are you capable of developing a cost of
4 service model?

5 A. Yes.

6 Q. While you were at Aquila, to the extent you
7 know, why did the company choose to derive their cost
8 of service models from an outside vendor?

9 A. Well, at the time we did a lot of -- prior
10 to the time I came on board at Aquila, a lot of the
11 cost of service studies had been done by hand or we
12 were just beginning to bring them into the Lotus 1,
13 2, 3 software application. And as I understand, this
14 was not first-hand knowledge but it was passed on to
15 me by the previous cost of service study expert, they
16 had a lot of problems with cell references and that
17 sort of thing. And so having some sort of an
18 underlying software package that would have all the
19 calculations done for them in an automated
20 programmed-way facilitated the ability to do four
21 different studies.

22 Q. Thank you. Would you agree then that it is

1 an acceptable utility practice to acquire a class
2 cost of service model from an outside vendor?

3 A. At that time it certainly was.

4 Q. Thank you. I will next direct you to your
5 testimony beginning on page 2. I am talking about
6 your direct testimony, Exhibit Number 4, and I will
7 specifically point you to lines 40 to 42.

8 Now, I understand this testimony to
9 indicate that you did not offer a novel cost of
10 service study but, rather, you offered modifications
11 to the cost of service model sponsored by Ms. Althoff
12 on behalf of the Ameren Illinois Utilities?

13 A. That is correct.

14 Q. And you made modifications to that study?

15 A. Yes, I did.

16 Q. And after making those modifications, you
17 ran the cost of service model to derive the output,
18 did you not?

19 A. Yes.

20 Q. When you reran -- I am going to call it the
21 E-cost. Do you understand what I am talking about?

22 A. Yes, I do.

1 Q. Embedded cost of service study. When you
2 reran the E-cost, did you rerun it using the
3 allocator DBSUBTR in allocating the costs from FERC
4 Account 362?

5 A. Yes.

6 Q. I am going to move to a different subject.
7 I apologize for bouncing around. I know you are
8 trying to get out of here this morning, and I am
9 going to try to get this done as quickly as I can.

10 To get back to your introduction as a
11 witness, you are here on behalf of IIEC which I
12 understand to be a group of energy consumers of both
13 natural gas and electricity. Is my understanding
14 correct?

15 A. Yes.

16 Q. Are you familiar at least in a general
17 sense with who the constituent members of the IIEC
18 are?

19 A. I don't believe I -- I would hate to say
20 yes to that. I do know some of the characteristics.
21 For instance, they are large customers. But I
22 couldn't put together an adequate list of who they

1 are.

2 Q. Fair enough. Would it be fair to say that
3 you are familiar, at least generally, with the energy
4 usage characteristics of the constituent companies of
5 the IIEC?

6 A. Generally, yes.

7 Q. With regard to the electric delivery
8 services that the IIEC members utilize from the AIU,
9 can you tell me what rate classification service they
10 currently subscribe to?

11 A. I believe all of them would be in the DS-4
12 rate class.

13 Q. After reading your direct and rebuttal
14 testimonies, I would make the inference that many of
15 the IIEC customers, as you are advocating on behalf
16 of, would receive service at the DS-4 level, as you
17 indicated, but additionally within the subclass that
18 would be the 100 plus kV customers?

19 A. I am not sure how you would make that
20 inference. My discussion of the 100 kV DS-4 class
21 had more to do with that seemed to be an area where a
22 large inconsistency or error had taken place.

1 Q. Do you know, do any IIEC constituent
2 members take service from any of the AIU within the
3 DS-4 classification at 100 plus kV?

4 A. I believe so.

5 Q. Do you know how many?

6 A. No.

7 Q. Do you know how many customers generally
8 accept service under AIU's DS-4 100 plus service
9 classification?

10 A. Let me qualify that. I do not know that
11 answer. But that was an answer I have attempted to
12 discern, both from the cost of service study provided
13 by the Ameren Illinois Utilities as well as through
14 data requests. I have got a number of -- a variety
15 of different numbers in response. I know that the
16 cost of service studies themselves identify the
17 number of customers in that subclass as eight, four
18 in AmerenIP and four more in AmerenCILCO. However,
19 response to some of those other data requests, I
20 understand now there are 15, 13 in AmerenIP and two
21 in AmerenCILCO. I now do not know whether what's
22 identified as a DS-4 100 kV customer is actually a

1 customer or whether that's a service point or how
2 that class is really broken down.

3 Q. Fair enough. In listening to your answer,
4 you indicated that you had issued data requests?

5 A. That is correct.

6 Q. Did you issue those data requests to
7 Ms. Althoff?

8 A. Yes, I did.

9 Q. And to the AIU in general?

10 A. Yes.

11 Q. Were you involved in the preparation of
12 those data requests?

13 A. Yes, yes.

14 Q. Did you review the responses to those
15 requests?

16 A. Yes, I did.

17 MR. TOMC: One moment.

18 (Pause.)

19 Q. Mr. Stowe, I am going to hand you two
20 documents and one of them is going to be marked AIU
21 Cross Exhibit Number 2 and the second document --

22 JUDGE ALBERS: I think yesterday, instead of

1 AIU Cross Exhibit, we started calling them Stowe AIU
2 Cross Exhibit 1, like with each witness.

3 MR. TOMC: Thank you, Your Honor. To avoid
4 confusion, let me renumber them.

5 Q. Accordingly, I am going to hand you two
6 documents. One is going to be designated AIU Stowe
7 Cross Exhibit Number 1 and the second document is
8 going to be AIU Stowe Cross Exhibit Number 2.

9 (Whereupon AIU Stowe Cross
10 Exhibits 1 and 2 were marked for
11 purposes of identification as of
12 this date.)

13 Those, again, with the discussion of
14 AIU Cross Exhibit --

15 JUDGE ALBERS: Do you have one for us?

16 MR. FITZHENRY: I forgot! I am his lackey
17 today.

18 MR. TOMC: I apologize, Your Honor.

19 Q. Mr. Stowe, to begin again, I am going to
20 begin my discussion with what's been marked as AIU
21 Stowe Cross Exhibit Number 1. And if you look at
22 that document, you also see the designation IIEC

1 12.01.

2 A. Yes.

3 Q. And this is a data request, would you

4 agree?

5 A. I would agree.

6 Q. And I just want you to take a moment to

7 look at that data request and tell me, Mr. Stowe, are

8 you familiar with this?

9 A. Yes, I am.

10 Q. Did you prepare this data request?

11 A. Yes, I did.

12 Q. Do you recall reviewing the response?

13 A. Yes.

14 Q. And turning to page -- the second page of

15 this exhibit, do you see the attachment?

16 A. Yes, I do. It is blurry, but I can see it.

17 Q. The lettering is very small. I do

18 apologize. But you are familiar with this, are you

19 not?

20 A. Yes.

21 Q. And you did reviewing this?

22 A. Yes.

1 Q. I will next turn your attention to the
2 subsequent document.

3 A. Is that the one identified as IIEC 12.01
4 Attach 2?

5 Q. Yes. I apologize, yes, turning to that
6 second attachment, do you recall receiving this
7 attachment?

8 A. Yes.

9 Q. And then turning to the third page, do you
10 recall that attachment?

11 A. Yes, I do.

12 Q. And you did review the Attachment 2 and 3?

13 A. Yes, I did.

14 Q. Next I want to turn your attention to AIU
15 Stowe Cross Exhibit Number 2.

16 A. Okay.

17 Q. On this document it is designated IIEC
18 12.04?

19 A. That is correct.

20 Q. And this is a data request, is it not?

21 A. Yes, it is.

22 Q. And similar to the last data request that I

1 showed you, being AIU Stowe Cross Exhibit Number 1,
2 would you agree that this is a data request that you
3 prepared?

4 A. Yes.

5 Q. Do you recall receiving a response?

6 A. Yes.

7 Q. Turning the page to the attachment, do you
8 recall receiving that attachment?

9 A. Yes.

10 Q. Are you familiar with that?

11 A. Yes.

12 Q. I am going to move to some more questions.
13 I may return to these documents now that I have
14 established your familiarity with them, depending
15 upon the response to the following questions. So do
16 keep them in front of you.

17 A. Okay.

18 Q. Are you familiar with the manner in which
19 the customers within the AIU's DS-4 100 plus kV
20 service classification accept interconnected
21 distribution service from the AIU?

22 A. I would not categorize myself as being

1 familiar with it. I know what I have read from the
2 testimony of Company witnesses.

3 Q. Returning to the AIU Stowe Cross Exhibits
4 Number 1 and Number 2 for just a moment, those data
5 requests and their attachments and the responses
6 thereto, those would include information concerning
7 configuration of the interconnection of various
8 customers to the AIU's distribution system, do they
9 not?

10 A. I believe so.

11 Q. And you did review those again?

12 A. Yes, I did.

13 Q. These customers that take service, delivery
14 service, from the AIU at the highest voltage provided
15 for within the DS-4 classification, that being the
16 100 plus kV, would it be fair and accurate to say
17 that these customers are receiving service at a level
18 that could be considered or described as a
19 transmission level voltage?

20 A. Yes. In fact, Ameren identifies them as
21 receiving service as such.

22 Q. Another point, based on your knowledge and

1 review of this case, under existing rates today
2 wouldn't you agree with me that DS-4 100 plus kV
3 customers receive a lower delivery service rate in
4 comparison with customers in other service
5 classifications?

6 A. I would agree that that would be -- in
7 general that would be something we would shoot for.
8 I am not well versed enough specifically on the rates
9 of the customers to know whether that is correct or
10 not.

11 Q. To be clear about your position, the
12 position of the IIEC, in this case you are not
13 testifying or advocating that customers receiving
14 service at the highest voltage level be allowed to
15 bypass the AIU delivery service rates, are you?

16 A. No.

17 Q. Would you agree with me then that these
18 customers should pay at least some level of delivery
19 service rates to the AIU?

20 A. I believe they currently do and, yes, they
21 should.

22 Q. Would you agree with me, if I were to

1 characterize DS-4 100 plus kV customers' energy usage
2 as intensive, would that be a fair characterization?

3 A. Can you clarify what you mean by the word
4 "intensive"?

5 Q. Intensive meaning they consume more energy,
6 a large amount of energy, at least with respect to
7 what other customers consume?

8 A. Yeah, there is a measurement that we use
9 called capacity factor, and we can also determine
10 something called load factor. And basically what it
11 is, it is a measure of how much -- over a period of
12 time how much a type of customer will use. And the
13 larger customers tend to use electricity on a more
14 steady basis. They don't have the peaks and the the
15 valleys in their usage that you would have from the
16 smaller customer. And over the period of a year they
17 do tend to, on a basis of customer, use a higher load
18 factor.

19 Q. Would you agree with me that these
20 customers in DS-4 100 plus kV classification, their
21 energy requirements necessitate various
22 interconnections and equipment, specialized

1 equipment, that is utilized to interconnect those
2 customers to the distribution and transmission
3 systems of the AIU?

4 A. The energy requirements?

5 Q. Let me restate the question. These
6 customers in DS-4 100 plus kV classification, their
7 specialized energy needs require various
8 configurations of engineering interconnection to the
9 AIU distribution and transmission systems, would you
10 agree with that?

11 A. No. I would say that their peak demand is
12 what is driving the need for specialized
13 interconnection equipment. I could use, say, an
14 average demand over a period of time and use the same
15 energy as I might use if I took power at a peak
16 demand for a shorter period of time. The equipment
17 that I need to interconnect needs to be sized so it
18 doesn't burn down when I hit my peak demand. And so
19 it is the peak demand that really drives the
20 requirement of those interconnection facilities.

21 Q. I appreciate that. I believe that in part
22 answers my question, but I want to turn back to the

1 AIU Stowe Cross Exhibits Number 1 and Number 2. And
2 let's start with AIU Cross Exhibit Number 1 and if
3 you will turn to the attachment page?

4 A. Okay.

5 Q. Do you see the column indicated Question A?
6 Can you read that? They both look the same.

7 A. Yes, I see it now.

8 Q. I notice that in response to your Question
9 A there are short paragraphs explaining what type of
10 substations those customers use and whether those
11 substations are owned by Ameren or the customer. Do
12 you see that?

13 A. Yes.

14 Q. So that to return to my point of inquiry,
15 these customers are interconnected to the AIU's
16 distribution and transmission systems in varying
17 fashions, would you agree?

18 MR. E. ROBERTSON: Excuse me. I guess now is
19 the appropriate time to do this since we are going to
20 start crossing the witness on this exhibit.

21 The witness reviewed these answers.

22 Ameren provided the answers. We have no basis to

1 know whether they are correct or incorrect because
2 you didn't present a witness to provide all this
3 information.

4 Now, I don't think it is fair to cross
5 the witness on an unverified and unstated,
6 unsupported statement by the Company in response to
7 discovery. It puts us at a disadvantage because
8 there is no witness for us to cross about the
9 veracity of the statement because your witnesses are
10 all gone. And you didn't bother to put in this
11 information as part of your testimony. In fact, you
12 didn't even give us this response until after all the
13 testimony had been filed in this case just a week or
14 so before the hearings.

15 So we are not -- I am not prepared,
16 unless you lay a foundation for the accuracy of this
17 document, to sit here and allow you to cross the
18 witness on it when it has no foundation in the
19 record.

20 MR. TOMC: I would respond, Your Honor, I did
21 lay a foundation with the witness as to whether or
22 not he was familiar with the energy usage

1 characteristics of his constituent members of the
2 IIEC, and the record indicates that the witness is an
3 engineer by trade and is familiar with utility
4 business, and I believe that's established. I also
5 established that the witness is familiar and has
6 reviewed these responses.

7 Now, if it would be preferable, I can
8 ask a qualified question based on the information
9 presented here, followed by my question, if he would
10 agree or not agree with the questions about these
11 documents.

12 MR. E. ROBERTSON: I want you to lay a
13 foundation for the truth or accuracy of the
14 information that's contained in here before you cross
15 him about anything on it. And absent a witness from
16 the Company to verify that this is all accurate, I
17 don't know why my witness has to accept the accuracy
18 of some statement that you made in discovery,
19 especially given the fact that -- well, so absent a
20 foundation, I don't think it is proper to cross him
21 on this. And he said he was somewhat familiar with
22 the energy characteristics but not familiar with it

1 in detail and he wasn't able to identify the members
2 of IIEC. So I don't know that that provides him a
3 basis for responding to this. I am not sure that
4 even if he had answered that more positively it would
5 provide a basis for crossing him on information the
6 Company has provided that is highly technical and not
7 supported by any Company witness in this case.

8 MR. TOMC: Your Honor, I have stated my
9 response and I believe the record would be
10 well-served by this discussion.

11 JUDGE ALBERS: All right. I am going to
12 sustain the objection to this.

13 MR. TOMC: One moment.

14 (Pause.)

15 Q. To return to a moment to a point about the
16 configurations that the customers in DS-4 100 plus kV
17 rate classification, the configurations of service
18 that they receive from the AIU, I am going to direct
19 you generally to your rebuttal testimony. I am going
20 to direct you to line 153, and this is your revised
21 testimony. And I am going to take care in this line
22 of questioning because I understand that this does

1 contain confidential material.

2 A. Okay.

3 Q. Line 153 continuing on the next page
4 through line 197, and also there is included a Table
5 1 is a discussion of the interconnection
6 configuration of customers receiving service at the
7 DS-4 100 plus kV voltage, would you agree with that?

8 A. Yes, I would.

9 Q. And you discuss within your testimony here
10 various customers, Customer A and Customer B, and
11 these customers have different interconnection
12 configurations, do they not?

13 A. Yes, very slightly different. They are
14 different.

15 Q. And they would utilize different equipment
16 to interconnect them to the distribution transmission
17 system, would they not?

18 A. Not really. The difference is in the
19 ownership.

20 Q. So some customers would own their own
21 equipment, while other customers may use AIU's
22 equipment?

1 A. Yes, with respect to the transformer and
2 some equipment that's necessary to connect to a
3 transformer, the ability to disconnect the
4 transformer if you want to do maintenance and that
5 sort of thing. In some cases that's all owned by the
6 customer, and in other cases that's owned by the
7 Ameren utility. Referring to figure 1, I believe you
8 called it Table 1, but the Figure 1 there.

9 Q. Yes.

10 A. Customer A, if you have a colored version
11 of this, has indicated that he does not own --
12 Customer A does not own the transmission equipment,
13 indicated by the fact that the transformer symbol is
14 in blue. For both customers the point of demarcation
15 is the circle with the M in it that indicates the
16 meter.

17 Q. Thank you. Would it be possible that an
18 individual customer in this rate classification we
19 have been discussing could have multiple points of
20 interconnection to Ameren's facilities?

21 A. Multiple 100 kV connection?

22 Q. A customer that would be taking service at

1 at least one service point at that voltage level, is
2 it possible that they could be taking service for the
3 same facility or related facilities at different
4 voltage levels? Is that possible?

5 A. I believe it is possible. I think that --
6 I am not 100 percent clear what you are referring to
7 just because your scenario leaves a lot of different
8 options. For example, within the boundaries of the
9 dashed line here on Figure 1 which represents kind of
10 a fence around the substation, you could have
11 multiple feeds going to multiple transformers and
12 then coming to the customer that way. There is also
13 the possibility that you could go through the
14 transformer and then spread out and go to multiple
15 directions and customers. So I think that in
16 general, yes, it is possible that a customer could
17 have multiple service points.

18 It is not clear to me from the
19 information I have gathered from either the testimony
20 of Ameren or from responses to data requests,
21 including these that we have looked at, exactly how
22 the customers are served, whether there are a few

1 customers with multiple service points or actually
2 multiple service points coming off of the
3 transmission system.

4 Q. Thank you. I am going to move to another
5 line of questioning, and just for the sake of staying
6 in transition as we move away from this discussion.
7 Have you reviewed, and I think this goes to your
8 experience, other E-cost studies and related
9 testimony in other proceedings?

10 A. Oh, yes.

11 Q. Would you agree that the general purpose of
12 providing and preparing an E-cost study is for the
13 assistance in developing the overall rates on?

14 A. Yes.

15 Q. Would you agree with me that the E-cost
16 study and associated rate design exists for the
17 purpose of allocating the revenue requirement among
18 various classes of customers?

19 A. Yes.

20 Q. Would you agree with me that the purpose of
21 an E-cost study and related rate design is typically
22 not to develop customized rates for individual

1 customers?

2 A. Up to this point it hasn't been used for
3 that. E-cost studies are getting better all the
4 time. As we are able to computerize them, the
5 technology is getting better. Our ability to
6 identify specific costs to specific customers is
7 increasing. We are far from the days where we did
8 this all on paper.

9 Q. Thank you. Just one moment.

10 (Pause.)

11 Would you agree with me that the rates
12 that are ultimately adopted in this case will exist
13 not only for the purposes of existing customers but
14 also future customers?

15 A. In very general terms I would agree with
16 that.

17 Q. Is it also true that customers taking
18 service from the AIU today may in fact change the
19 type of service in terms of classification and
20 utilization of AIU facilities in the future?

21 A. In what way would they change? For point
22 of clarification, what do you mean by change?

1 Q. Let me rephrase. If operating needs
2 changed for existing customers on the system today,
3 that may necessitate them to take service at a
4 different classification than they are taking service
5 today, in the future?

6 A. I believe that's correct.

7 Q. Additionally, operating circumstances may
8 exist that require customers to alter the manner in
9 which they may be interconnected to AIU's
10 distribution and transmission system, would you agree
11 with me?

12 A. I would say no to that. My hang up here
13 maybe you can clarify. When we talk about the
14 connection to the distribution system, I am picturing
15 in my mind fairly large electrical facilities,
16 transformers, substations, conductors, sometimes
17 conductors that are actually more of a pipe than a
18 wire. And I have trouble envisioning how something,
19 say, in a customer's facility could require them to
20 go out and change what is in their substation to
21 accommodate that.

22 Q. If, for example, an industrial customer

1 were to expand their facility or build facilities
2 adjacent to their primary location, that could
3 require them to alter the manner in which they
4 interconnect to the AIU's distribution system?

5 A. It could, but in that case I don't know
6 that they would change the rate classification.

7 Q. Fair enough. As an expert in the field of
8 cost of service studies, would you agree with me that
9 there is no one universally accepted methodology, in
10 the United States at least, for administering an
11 E-cost study?

12 A. Yes.

13 Q. Given your experience in previous cases
14 involving previous matters, would you agree with me
15 that it is possible that in a rate case issues may
16 arise where E-cost studies or E-cost methodologies
17 employed by a particular utility can be improved upon
18 for use in future cases?

19 A. Certainly.

20 MR. TOMC: No further questions, Your Honor.

21 JUDGE ALBERS: Thank you. Any redirect?

22 MR. E. ROBERTSON: Would it be possible to have

1 a minute or two?

2 JUDGE ALBERS: Yes.

3 (Whereupon the hearing was in a
4 short recess.)

5 JUDGE ALBERS: On the record. Redirect?

6 MR. E. ROBERTSON: Thank you.

7 REDIRECT EXAMINATION

8 BY MR. E. ROBERTSON:

9 Q. Mr. Stowe, you were asked a series of
10 questions about cost of service models and even ones
11 that you had used or are aware of that had been used
12 and that the Company had used in this case. Is there
13 any cost of service model that you are aware of that
14 would better than the inputs to the model?

15 A. No. The quality of a cost of service study
16 would be dependent upon the validity of the inputs
17 into the model.

18 MR. E. ROBERTSON: I have no further questions.

19 MR. TOMC: No recross.

20 JUDGE ALBERS: No recross, okay. Any objection
21 then to any of Mr. Stowe's exhibits?

22 Hearing none, then the previously

1 identified exhibits of David Stowe are admitted.
2 (Whereupon IIEC Exhibit 4.0,
3 4.1, 4.2, 8.0-C, 8.1, 8.2 and
4 8.3 were admitted into
5 evidence.)
6 JUDGE ALBERS: Thank you, Mr. Stowe.
7 (Witness excused.)
8 My understanding now, we would turn to
9 Ms. Ebrey.
10 MS. VON QUALEN: Yes.
11 (Pause.)
12 JUDGE YODER: Ms. Ebrey, were you previously
13 sworn?
14 MS. EBREY: Yes, I was.
15 THERESA EBREY
16 called as a witness on behalf of Staff of the
17 Illinois Commerce Commission, having been first duly
18 sworn, was examined and testified as follows:
19 DIRECT EXAMINATION
20 BY MS. VON QUALEN:
21 Q. Please state your name for the record.
22 A. Theresa Ebrey, E-B-R-E-Y.

1 Q. Who is your employer and what is your
2 business address?

3 A. I am employed by the Illinois Commerce
4 Commission, 527 East Capitol Avenue, Springfield,
5 Illinois 62701.

6 Q. What is your position at the Commission?

7 A. I am an accountant in the Accounting
8 Department of the Financial Analysis Division.

9 Q. Ms. Ebrey, did you prepare testimony to be
10 submitted in this proceeding?

11 A. Yes, I did.

12 Q. And do you have before you a document which
13 has been marked as ICC Staff Exhibit 1.0, Direct
14 Testimony of Theresa Ebrey dated September 28, 2009?

15 A. Yes.

16 Q. Did you prepare that document for
17 submission in this proceeding?

18 A. Yes, I did.

19 Q. And attached to the testimony are numerous
20 schedules and attachments, is that correct?

21 A. That's correct.

22 Q. And did you prepare those schedules and

1 attach those attachments to the testimony?

2 A. Yes.

3 Q. And is the testimony -- do you have any

4 additions or corrections to make to ICC Staff Exhibit

5 1.0 with schedules and attachments?

6 A. No, I do not.

7 Q. Is the information contained in ICC Staff

8 Exhibit 1.0 and attachments true and correct to the

9 best of your knowledge?

10 A. Yes.

11 Q. Do you also have before you a document

12 which has been identified as ICC Staff Exhibit 15.0,

13 Rebuttal Testimony of Theresa Ebrey dated November

14 20, 2009?

15 A. Yes.

16 Q. Did you prepare that document for

17 submission in this proceeding?

18 A. Yes, I did.

19 Q. And that also consists of narrative

20 testimony as well as schedules and one attachment,

21 correct?

22 A. That's correct.

1 Q. Do you have any additions or corrections or
2 changes to ICC Staff Exhibit 15.0 and the schedules
3 and attachment?

4 A. No, I don't. To the extent that any other
5 Staff members had any corrections to their testimony
6 that was filed at rebuttal, those changes will be
7 reflected in Staff's appendices to the initial brief.
8 So if there is any corrections to any other
9 testimony, it will be reflected in those schedules.

10 Q. Thank you. Is the information contained in
11 ICC Staff Exhibit 15.0 and attached schedules and
12 attachment true and correct to the best of your
13 knowledge?

14 A. Yes.

15 Q. And, Ms. Ebrey, if I were to ask you the
16 same questions as in ICC Staff Exhibits 1.0 or 15.0
17 today, would your answers be the same?

18 A. Yes.

19 MS. VON QUALEN: At this time I move for entry
20 into evidence of ICC Staff Exhibit 1.0 with attached
21 schedules and attachments, and ICC Staff Exhibit 15.0
22 with attached schedules and attachment.

1 JUDGE YODER: All right. Any objection at this
2 time? We will rule on the admissibility following
3 any cross. I assume you tender Ms. Ebrey?

4 MS. VON QUALEN: Yes, Ms. Ebrey is available
5 for cross examination.

6 JUDGE YODER: I think the Ameren Illinois
7 Utilities are among the parties that reserved?

8 MR. WHITT: Yes, Your Honor, Mr. Sturtevant and
9 I will both be asking questions. It is our
10 preference to go clean up.

11 JUDGE YODER: Go last, okay. Next, CUB/AG had
12 cross reserved?

13 MR. BALOUGH: Your Honor, CUB/AG waives cross.

14 JUDGE YODER: I believe IIEC has cross
15 reserved.

16 MR. REDDICK: Yes, Your Honor.

17 CROSS EXAMINATION

18 BY MR. REDDICK:

19 Q. Good morning, Ms. Ebrey. My name is Conrad
20 Reddick and I am representing the Illinois Industrial
21 Energy Consumers.

22 Speaking generally in some preliminary

1 matters, do you agree that there is a basic
2 requirement in regulated ratemaking that rates must
3 be just and reasonable?

4 A. Yes, I agree.

5 Q. And you also agree that similar
6 requirements would apply to the costs used to
7 establish those rates?

8 A. Yes.

9 Q. And would you agree generally that those
10 requirements would bar the use of costs for rate
11 setting procedures that are prohibited by law?

12 A. Yes.

13 Q. Do you also agree that the costs underlying
14 rates should be the costs of the utility for which we
15 are setting the rates, not the rates of a different
16 entity or costs that are simply made up?

17 A. Right, the costs should reflect the utility
18 that is requesting the rate increase.

19 Q. Similarly, the rate setting process, to be
20 reasonable, could not rely on arbitrary deviations
21 from the accounting rules?

22 A. I agree with that.

1 Q. Could you tell me what the components --
2 and I believe you have schedules attached to your
3 testimony that touch on this. What are the
4 components of the calculation of the utilities' rate
5 base used to set rates in this case?

6 A. My rate base schedules in this case include
7 specific line items for gross plant in service,
8 accumulated depreciation, net plant. There is
9 various additions to rate base such as cash working
10 capital, materials and supplies inventory. There is
11 also deductions from rate base for customer advances,
12 accumulated deferred income taxes, customer deposits,
13 accrued OPEB liability.

14 Q. And what is the largest of those components
15 that you listed?

16 A. The largest is the gross plant in service.

17 Q. And the next largest?

18 A. Just as a number it's accumulated
19 depreciation. It is a reduction to the rate base,
20 but it is the next largest number.

21 Q. Are the other items you named sufficiently
22 small that we could agree that rate base is roughly

1 equal to net plant?

2 A. I would agree that they are a lot smaller
3 than those.

4 Q. Let me rephrase it. Would it be fair to
5 say that the net plant is the driver of the magnitude
6 of the rate base?

7 A. I would agree with that, yes.

8 Q. So an accurate determination of the rate
9 base would require an accurate determination of net
10 plant?

11 A. Yes.

12 Q. Could you then -- again, if you want to
13 consult your schedule, you may. Tell me how net
14 plant is computed?

15 A. Net plant is the gross plant less the
16 amount of accumulated depreciation.

17 Q. Okay. And when we say accumulated
18 depreciation, is that the same as the depreciation
19 reserve referred to in some witnesses' testimony in
20 this case?

21 A. I believe it is.

22 Q. And is the investment used to provide

1 service to the utility customers directly affected by
2 the depreciation of the finance service?

3 A. Could you repeat that?

4 Q. Sure. Is the investment used to provide
5 service to utility customers directly affected by
6 depreciation of the plant in service?

7 A. Yes.

8 Q. If one used the books of the utility to
9 calculate a utility's net plant at a given point in
10 time but did not take account of booked accumulated
11 depreciation as of that point in time, would the net
12 plant be overstated?

13 A. Yes, it would.

14 Q. A utility's rates are set to recover an
15 amount equal to the utility's authorized return times
16 its approved rate base. Is there an accounting term
17 for the product of that calculation?

18 A. In the revenue requirement schedules, that
19 would be equal to the net operating income.

20 Q. Okay. And that recovered -- I am sorry,
21 that represents the utility's recovery of the dollar
22 amount of the costs of its investment?

1 A. That's correct.

2 Q. Would you agree, if you hold all other
3 factors equal, that an unreasonably high return would
4 increase a rating income above the utility's actual
5 cost of capital?

6 A. Yes.

7 Q. Similarly, if we use an authorized
8 reasonable return but use a rate base amount in
9 excess of the investment used and useful in providing
10 service, would that increase the utility's operating
11 income above the utility's cost of capital?

12 A. Yes.

13 Q. Do the Ameren Illinois utilities follow
14 Commission approved accounting rules when they record
15 changes to the accounts used in determining their
16 rate bases?

17 A. To the best of my knowledge, they do.

18 Q. We can agree they are supposed to?

19 A. They are supposed to.

20 Q. And, similarly, they are supposed to
21 determine their depreciation expenses and the
22 resulting changes to the depreciation reserve using

1 Commission-approved depreciation rates?

2 A. Yes.

3 Q. The depreciation expenses and the resulting

4 increments to the accumulated depreciation are

5 recorded on a regular basis, aren't they?

6 A. They should be.

7 Q. And do you know how frequently that is?

8 A. I would guess monthly.

9 Q. Okay. And are the Commission-approved

10 depreciation rates applied on that regular basis to

11 all plant in service?

12 A. To the extent that the plant is

13 depreciable. I believe that land, there would not be

14 a depreciation on land. But for the most part, yes.

15 Q. Okay. And pursuant to the Commission's

16 rules of accounting, will depreciation of the Ameren

17 Illinois Utilities' plant in service continue after

18 the end of the 2008 test year?

19 A. Yes.

20 Q. And those depreciation expenses will be

21 accorded under those same rules and will be

22 accumulated in depreciation reserve?

1 A. That is correct.

2 Q. So if the Commission's rules and --
3 Commission's depreciation rules and accounting rules
4 are followed, there will be post-test year changes in
5 depreciation reserve?

6 A. Yes.

7 Q. Am I correct then that there will be
8 changes in the depreciation reserve on the Company's
9 books during the post-test year period of the plant,
10 AIU plant additions?

11 A. Yes.

12 Q. And those changes and accumulated
13 depreciation will be calculated or should be
14 calculated using the Commission-approved depreciation
15 rates and the plant in service amounts from the
16 utility's books?

17 A. Yes, they should.

18 Q. Now, if we look at the books of any Ameren
19 Illinois utility that are kept in accordance with the
20 ICC rules, will the utility's books at any point
21 during the post-test year period of the plant
22 addition show the depreciation reserve at December

1 2008 levels?

2 A. The books should not reflect that level,
3 no.

4 Q. And would the books at any point during
5 that same period show its depreciation reserve and
6 its net plant determined as of different dates?

7 A. I am not sure I understand your question.

8 Q. Let me rephrase the question. Would the
9 books of any Ameren Illinois utility during the
10 period of the post-test year plant additions show its
11 depreciation reserve and the accounts used to
12 determine net plant as of different dates?

13 A. I am confused on what you mean by as of
14 different dates.

15 Q. Okay. If we prepared a balance sheet for
16 the Company at any period during the post-test year
17 period for plant additions, would the depreciation
18 reserves and the components of net plant in the
19 Company's accounts all be determined as of a
20 consistent date?

21 A. The end of each month those amounts will be
22 different to reflect what has been recorded on the

1 books during each month beyond the test year.

2 Q. So if we were looking to prepare a balance
3 sheet or determine the net plant as of a given date,
4 the end of any particular month, the books of the
5 Company would reflect depreciation reserve at the end
6 of that month, it would reflect plant in service at
7 the end of that month, it would reflect accumulated
8 depreciation at the end of that month, do you see?

9 A. That is correct.

10 Q. Okay. If I were an accountant, I could ask
11 these questions better.

12 So in February 2010 will the books of
13 any of the Ameren Illinois utilities show its
14 depreciation reserve at the December 2008 level and
15 net plant at the February 2010 level?

16 A. No, that should not be -- that would not be
17 the case.

18 Q. My understanding of the Ameren Illinois
19 Utility's proposals for a pro forma adjustment is to
20 increase their ratemaking rate basis for the planned
21 addition of about a quarter of a billion dollars into
22 plan investment that's projected to take place over a

1 period of 14 months and an agreed period between you
2 and the Company, Staff and the Company.

3 MS. VON QUALEN: I would like to jump in here.
4 I believe now we are getting into Ms. Everson's
5 testimony. So I recognize it is kind of hard to
6 distinguish, but we would prefer you just hold this
7 until --

8 MR. REDDICK: Okay. I will do that.

9 MS. VON QUALEN: Thank you.

10 BY MR. REDDICK:

11 Q. All right. Let's jump to another area.
12 What is your understanding of the matching principle
13 that's part of test year ratemaking?

14 A. The matching principle as far as ratemaking
15 would line up the costs and all the factors that go
16 into determining the revenue requirement. That
17 includes the components of rate base, the rate of
18 return information and a cost of service. Those
19 would all be lined up for a given period.

20 Q. When you say lined up, do you mean as of a
21 consistent date?

22 A. As of a consistent date, correct.

1 Q. Your testimony on the public utility's
2 revenue act is in your testimony, is that correct,
3 not Ms. Everson's? Okay. I believe Ms. Ebrey as
4 Ms. Ebrey had that issue.

5 In your rebuttal testimony, I believe,
6 my notes say line 435.

7 A. In my testimony, line 435 I discuss
8 electric distribution tax.

9 Q. Okay. That is the tax that is assessed
10 pursuant to the public utility's revenue act?

11 A. Okay.

12 Q. Okay. Well, with respect to that tax, in
13 your testimony you note the failure of the Companies
14 to take account of credit memoranda routinely
15 received by the AIUs in connection with the PURA tax
16 payments that were identified by Mr. Stephens. Those
17 credit memoranda that you refer to are effectively
18 refunds, aren't they?

19 A. That is correct.

20 Q. And you propose also in your testimony that
21 the AIU pro forma normalization adjustment for those
22 taxes be rejected in part, I believe, because it

1 doesn't take account of the credit memoranda, is that
2 correct?

3 A. That is part of the basis for my
4 adjustment, yes.

5 Q. Are you familiar with the alternative
6 treatment of the PURA tax that Mr. Stephens proposed?

7 A. Not as I sit here today, no.

8 Q. Okay. I don't think you need to have a
9 detailed understanding of it to answer this question,
10 but if you think you do, let me know.

11 If the Commission adopts Mr. Stephens'
12 proposed treatment of the PURA tax cost for the AIU
13 companies, would your adjustment still be required?

14 A. I am not sure what his proposal is.

15 MR. REDDICK: Okay. Thank you, Ms. Ebrey.

16 JUDGE YODER: You are done, Mr. Reddick?

17 MR. REDDICK: With Ms. Ebrey as Ms. Ebrey, yes.

18 JUDGE YODER: When she becomes Ms. Everson, you
19 will have a little bit. Okay.

20 CROSS EXAMINATION

21 BY MR. WHITT:

22 Q. Good -- I guess it is still morning.

1 Ms. Ebrey, we have met before, but I am Mark Whitt.
2 I want to ask you just sort of a wrap-up question
3 first on your testimony on uncollectibles, and I will
4 refer you to page -- bottom of page 27 of your
5 rebuttal.

6 Page 27 of ICC Staff Exhibit 15,
7 beginning at line 546 and on to the next page, you
8 stated in rebuttal that the AIUs should provide
9 additional calculations for uncollectible factors
10 associated with Riders EUA and GUA, correct?

11 A. Correct.

12 Q. And it is correct, is it not, that Company
13 witness Mr. Millburg in his surrebuttal testimony
14 provided those calculations for gas?

15 A. That is correct.

16 Q. And Mr. Jones provided surrebuttal
17 testimony providing those calculations for electric?

18 A. That is correct.

19 Q. Now I would like to talk to you about your
20 pensions and benefits proposed adjustment. Your
21 Schedule 15.09 for each of the Companies presents an
22 adjustment to reduce pensions and benefits expense,

1 correct?

2 A. I am sorry, could you repeat that?

3 Q. Your Schedule 15.09 is your pensions and
4 benefits expense adjustment, correct?

5 A. That's correct.

6 Q. And just to attempt to frame the issues
7 here, it is your opinion that pensions and benefits
8 expense should be based on the final actuarial report
9 for 2008, correct?

10 A. The actuarial study, which I think is a
11 little different than what I understand is the
12 actuarial report that the Ameren Companies provided
13 to me in this case.

14 Q. I think you refer to it as the final
15 report; can we call it that?

16 A. Or the actuarial study.

17 Q. Okay. And the Companies are seeking
18 recovery of pension and benefits expense based on a
19 12-month period that ends September 30, 2009,
20 correct?

21 A. That's what they proposed in their
22 surrebuttal, yes.

1 Q. And the final actuarial study -- I am
2 trying to stick to your terminology -- for the first
3 three months of the period that Ameren is using,
4 which would be October, November, December 2008,
5 those numbers are contained in the final report that
6 was issued in February of this year, correct?

7 A. I don't know if that actuarial study had
8 the detail by month.

9 Q. But the last three months of 2008 would be
10 reflected in that study?

11 A. Would be included in the totals.

12 Q. Can we agree then that, with respect to
13 those first three months, that that level of expense
14 is known and measurable?

15 A. I suppose if you took this study -- once
16 again, I don't have it in front of me so I am not
17 sure if the detail in the study is by month. If it
18 is, yes, the information for those three months would
19 be known and measurable. If it is in total, you
20 could possibly derive an amount for those three
21 months, but I am not sure.

22 Q. But just so we are clear, it is really this

1 nine months of 2009 that is the point of disagreement
2 between the Company and Staff as to whether those
3 amounts are known and measurable, correct?

4 A. I am not sure I would agree with that. As
5 I said in my prior response, I am not sure that the
6 amounts for the three months in 2008 that the Company
7 is including are identifiable with enough -- I can't
8 think of the word. I don't think they are directly
9 in that 2008 study. I would have to see a copy of
10 the study to see if that's the case.

11 Q. Okay. But sitting here today, you can't
12 confirm or deny, I suppose, what the 2008 final
13 report would show with respect to, specifically, to
14 the last three months?

15 A. No, I can't as I sit here today say what
16 that study shows.

17 Q. Okay. Now, for the -- let's talk about the
18 2009 period. You state at page 19 of your rebuttal,
19 beginning at line 369, I am going to paraphrase a bit
20 here, but it is your position that the amounts booked
21 for pension and benefits expense through September
22 30, 2009, are not known and measurable because the

1 actual pension costs for the year ending December 31,
2 2009, will not be determined until the year end 2009
3 actuarial study has been completed. Is that a fair
4 summary of your testimony?

5 A. Yes.

6 Q. Okay. And I am assuming you are aware of
7 the testimony filed by Mr. Lynn in Ameren Exhibit 54
8 explaining that this 2009 report would be completed
9 by February 1, 2009?

10 A. Can you provide me the citation to that
11 testimony?

12 Q. It's just -- it is Ameren Exhibit 54.

13 A. I think I have that.

14 Q. While you are looking, let me correct my
15 question. The final report would be issued in
16 February 2010?

17 A. Okay, I agree with that.

18 Q. Now, in stating that the amounts booked
19 through September 30, 2009, are not known and
20 measurable, you are assuming that these amounts could
21 change when the final actuarial report is issued,
22 correct?

1 A. Correct.

2 Q. Now, under the accounting methodology that
3 Mr. Lynn had described in his testimony, is it the
4 case that when the value of plan assets decreases,
5 pension expense increases?

6 A. Can you direct me to the cite in his
7 testimony?

8 Q. Well, aside from his testimony, is that
9 your general understanding of the accounting for
10 pensions and benefits, that as plan assets decrease,
11 that leads to an increase in expense?

12 A. That would be correct.

13 Q. And is it the case that the plan assets
14 consist primarily of investments and securities?

15 A. I would assume so.

16 Q. And needless to say, in 2008 the value of
17 securities and stocks generally declined
18 significantly that year, correct?

19 A. Correct.

20 Q. And to the extent asset values decreased in
21 2008, that would lead to an increase in pension
22 expense, correct?

1 A. Correct.

2 Q. And that increase in pension expense would
3 begin to be recognized in 2009, correct?

4 A. Correct.

5 Q. And is it fair to say that the decrease in
6 plan assets in 2008 is the primary driver of
7 increased pension benefits expense for 2009?

8 A. I don't know what the primary driver is.

9 Q. Now, to determine whether a pro forma
10 adjustment, any pro forma adjustment, is known and
11 measurable, it is important to consider all of the
12 available evidence, would you agree with that?

13 A. Yes, all the evidence should be considered.

14 Q. And to the extent current actual data is
15 available, certainly that is something that should be
16 considered in determining whether a proposed
17 adjustment is known and measurable, agree?

18 A. The current information could be considered
19 in the amount of the pro forma adjustment, but I
20 don't know -- I don't think I agree that just because
21 current information is available, the pro forma
22 adjustment is automatically known and measurable.

1 Q. Fair enough. I didn't mean to suggest in
2 my question that actual data is necessarily the end
3 all beat all. But among the available evidence, when
4 we have actual data, we should at least look at it,
5 would you agree?

6 A. I would agree with that.

7 Q. And, in fact, Staff relies on 2009 actual
8 data for a number of its adjustments in this
9 proceeding, does it not?

10 A. I think Staff does consider 2009 data in
11 making the recommendations that they make.

12 Q. And in the Ameren Illinois Utilities two
13 most recent cases before this one, pension and
14 benefits expense was based on actual data for the
15 year after the test year, correct?

16 A. That is correct.

17 Q. And I believe your position is that you
18 believe the circumstances in those prior two cases
19 are different because the timing of those reference
20 cases allowed for the consideration of the final
21 actuarial studies on which the pension costs for the
22 subsequent years was based?

1 A. I believe that was my testimony, yes.

2 Q. And you have participated, I am sure, in
3 cases where the Commission has kept the record open
4 after the evidentiary hearing to receive additional
5 evidence or information?

6 A. To the best of my knowledge the record may
7 have been kept open, but it was so that information
8 could be provided, could be filed on the e-Docket
9 system after the hearing. But I don't recollect any
10 cases where the record was kept open for information
11 that would not be available until some time later.

12 Q. Okay. And, again, Mr. Lynn says that the
13 final actuarial report for 2009 will be issued by no
14 later than February 1, 2010, correct, which is about
15 six weeks from now?

16 A. I don't know that he says a specific date
17 in February. I think historically February is when
18 those reports have been dated.

19 Q. Okay. But, nonetheless, you are aware of
20 situations where the Commission has left the record
21 open to receive additional information?

22 A. Again, it is information that for some

1 reason is not available to be included in the record
2 at the time of hearing. And by that I mean if there
3 is an affidavit that is needing to be filed or -- I
4 am trying to think.

5 But in the case with the actuarial
6 study, it won't -- it can't be completed until after
7 the end of the year which is, you know, after the
8 record would be closed in this case.

9 Q. Okay. Now, certainly the Commission would
10 have the discretion, would it not, in your judgment,
11 to leave the record open to receive this final
12 actuarial report?

13 MS. VON QUALEN: I am going to object to this
14 question. I don't think that's really within her
15 area of expertise. The Commission can do what the
16 Commission can do. But I don't think Ms. Ebrey needs
17 to testify about it.

18 MR. WHITT: Well, she has testified she is
19 aware of situations where the Commission has received
20 additional evidence. Understanding that her opinion
21 isn't binding on the Commission, but in her judgment
22 as a Staff member, I think I am entitled to explore

1 whether she thinks this would be appropriate.

2 JUDGE YODER: I sustain the objection.

3 BY MR. WHITT:

4 Q. Okay. Ms. Ebrey, if the final actuarial
5 report was introduced into the record in this case,
6 that would satisfy your concern regarding the known
7 and measurable issue you raise for the Company's
8 proposed recovery of pension benefits expense based
9 on a 12-calendar month ending September 30, 2009?

10 A. I don't believe that would address my
11 concern with the September 30, the 12-months ended
12 September 30, because that actuarial study will not
13 be as of September 30. It will be for the calendar
14 year 2009. And without knowing if that study would
15 have a monthly detail or would just be total for the
16 year, I can't say.

17 Q. Well, there is no Commission -- are you
18 aware of any Commission rule that requires pension
19 and benefits expense to be calculated on a calendar
20 year basis versus some other 12-month period?

21 A. No.

22 Q. I want to shift gears slightly and talk to

1 you about the adjustment you have adopted to reduce
2 rate base by the OPEB liability.

3 A. Okay.

4 Q. And that's an adjustment that was
5 originally proposed by David Effron and that you
6 adopted in your rebuttal testimony, is that correct?

7 A. That's correct.

8 Q. Now, before we talk about the details of
9 that adjustment, I want to see if we can agree on
10 some general principles. First, utilities are
11 capitalized by investors who buy stocks and bonds,
12 correct?

13 A. Correct.

14 Q. And utilities use investor's money to
15 invest in plant and otherwise operate the business
16 and provide service, correct?

17 A. The utilities also use the money they
18 collect from ratepayers for those purposes, too.

19 Q. Sure. And with ratemaking theory, what we
20 are seeking to do is basically compensate investors
21 by getting them a return on and of the investment
22 that they make to render service, correct?

1 A. I believe ratemaking theory is more to
2 balance the interests of the ratepayers with the
3 shareholders. It is not all one-sided.

4 Q. Sure. But part of the equation is you have
5 to look at what investors have contributed and
6 provide a return on and of that investment, correct?

7 A. I can agree with that.

8 Q. And ratepayers in effect return that
9 investment through utility rates as part of the
10 ratemaking equation?

11 A. Correct.

12 Q. And if rates do not include an allowance
13 for a certain expense, investors are not compensated
14 for that expense, correct?

15 A. I don't know that I would characterize an
16 expense as something that the ratepayers get
17 compensated for. I think the return that's allowed
18 in the ratemaking formula is the return on the
19 investment which is the rate base. It is not the
20 expense portion of the formula.

21 Q. Right. But in looking at investor return,
22 you have to account for operating expenses, correct?

1 A. Well, the investor return is -- my
2 understanding of the ratemaking formula, the return
3 to the investors is the operating income which is
4 after the operating expenses. So I am not sure I
5 agree with your characterization.

6 Q. Okay. Well, let's try another example. If
7 a utility completes a capital project and the
8 Commission determined that the costs were not
9 prudently incurred, the utility does not recover
10 those dollars in rates, correct?

11 A. Correct.

12 Q. So it would not be accurate to say that
13 that plant was constructed with ratepayer funds
14 because the Commission disallowed cost recovery?

15 A. Correct.

16 Q. Now, specifically with respect to your OPEB
17 liability adjustment, I would like to direct you to
18 page 25 of your rebuttal. And beginning at line 490,
19 you say that ratepayers have supplied funds for
20 future obligations. Therefore, a source of cost-free
21 capital has been provided to the utility, which
22 should be recognized in the revenue requirement as a

1 reduction from rate base. That's your position,
2 correct?

3 A. Correct.

4 Q. Now, can we agree, based on what we just
5 talked about, that ratepayers provide a source of
6 cost-free capital only to the extent they have
7 actually supplied capital, fair enough?

8 A. That would assume that you can determine
9 how much of the rate is to cover the expenses, how
10 much of the rate that the customer pays is for the
11 return on the investment.

12 Q. Okay. Well, with respect to OPEBs, SFAS
13 106 dictates the level of OPEB expense the utility is
14 required to record on its books, correct?

15 A. Correct.

16 Q. And the SFAS 106 expense amount is
17 ordinarily the amount that is used for ratemaking
18 purposes?

19 A. Correct.

20 Q. There is no statute or rule, however, that
21 requires the Commission to set pension and benefits
22 expense based on SFAS 106 rules?

1 A. Not that I am aware of.

2 Q. SFAS 106 is an accounting rule, not a
3 regulatory requirement, correct?

4 A. Correct.

5 Q. Now, is it the case that SFAS 106 expense
6 can be, and in fact usually is, different than what
7 the utility actual spends on OPEBs in any given year?

8 A. Can you explain what you mean by what the
9 utility spends a year?

10 Q. Contributions to the OPEB trust.

11 A. The utility decides what their contribution
12 will be.

13 Q. Now, under SFAS 106, expense accruals
14 result in a liability on the books for OPEB
15 accounting, correct?

16 A. I believe the OPEB liability is the
17 difference between the actuarial determined amount
18 for future OPEBs versus the balance in the trust fund
19 at any point in time. I don't think the OPEB
20 liability for accounting is based on the amount of
21 cost that's accrued for any given month.

22 Q. Okay. What I am trying to figure out is,

1 you know, how the liability may increase or decrease.
2 When there is an expense accrual for a certain year,
3 that would, as I understand it, result in a
4 liability. And then if there are cash contributions
5 to the trust fund, that reduces the liability. Is
6 that generally true? And it is perhaps a gross
7 oversimplification, but by necessity for me.

8 A. I believe that that has more to do with
9 accounts payable than the OPEB liability.

10 Q. Okay. Well, let me ask you this. If the
11 OPEB expense accruals and cash contributions to the
12 trust fund are matched at all times, isn't it the
13 case there would be no OPEB liability?

14 A. Could you state that again?

15 Q. If expense accruals and cash contributions
16 are matched, there will not be an OPEB liability?

17 A. Not necessarily, because there is more
18 involved than that. The earnings on the trust fund
19 would also impact -- you know, the value of the trust
20 fund is also going to impact the liability.

21 Q. Okay. Well, would it be the case that
22 whenever the accumulative amount of SFAS 106 expense

1 is greater than contributions the utility has made to
2 the trust fund, that will result in an OPEB
3 liability?

4 A. To the extent that the expense accruals,
5 the determination of that, is considered to be
6 earnings on the trust fund, I would agree with that.

7 Q. Okay. Now, your testimony does not provide
8 an analysis of SFAS 106 expense recovered from
9 ratepayers over any particular time, correct?

10 A. Correct.

11 Q. And you are assuming that the accumulative
12 SFAS 106 expense has been fully reflected in the
13 Ameren Illinois Utility's rates since the adoption of
14 SFAS 106?

15 A. Correct.

16 Q. That would -- in fact, that would have to
17 be true in order for the OPEB liability to constitute
18 ratepayers supplied funds?

19 A. Is that a question to me?

20 Q. Yes. You can just say yes.

21 A. Could you repeat the question?

22 Q. Well, you agreed that you haven't done a

1 study or looked at the amount of SFAS 106 expense
2 recovered from ratepayers over any particular period
3 of time; we have established that, right?

4 A. I don't know that that's something that you
5 can do. Because the funds that are recovered from
6 ratepayers are not identifiable to any certain line
7 item.

8 Q. But you agreed with me that you assume that
9 the accumulative SFAS 106 expense has been fully
10 reflected in rates since the adoption of SFAS 106;
11 you agreed with that. And so my follow-up question
12 that's pending is, that would have to be true in
13 order for the OPEB liability to constitute ratepayer
14 supplied funds. In other words, that -- well, I will
15 leave the question stand as is.

16 A. The amount reflected in rates is based on
17 the assumptions that are in the test year. The
18 amounts that are recovered from ratepayers can't be
19 identified by any specific line item on the revenue
20 requirement because there are changes both up and
21 down in those cost levels over time.

22 Q. But one could do an analysis showing the --

1 comparing the SFAS 106 expense versus the portion of
2 that expense recovered from ratepayers over a period
3 of time?

4 A. But I don't think you can identify this is
5 the amount recovered from ratepayers for this line
6 item. The rates are what they are. The ratepayers
7 are not paying so much for OPEB, so much for salary,
8 so much for whatever. They are paying a rate to
9 recover a level of cost of service.

10 MR. WHITT: Can I take a brief break?

11 JUDGE YODER: How brief?

12 MR. WHITT: About 30 seconds.

13 (Pause.)

14 JUDGE YODER: All right. Back on the record.

15 BY MR. WHITT:

16 Q. Ms. Ebrey, I understand you testified in
17 the Docket 09-0399 proceeding which I will call the
18 uncollectibles case?

19 A. The uncollectibles rider, that is correct.

20 Q. And didn't you testify in that case that it
21 is possible to track or attribute funds specifically
22 to uncollectibles expense?

1 A. I don't know that's an accurate
2 characterization, no.

3 Q. And you testified that it is not -- that it
4 is not possible to track the level of OPEB funds
5 collected from ratepayers over any period of time,
6 correct?

7 A. That's correct.

8 Q. And have you or did you review testimony
9 filed in this proceeding that attempted to do just
10 that, track the level of OPEB funds collected from
11 ratepayers over a historical period?

12 MS. VON QUALEN: Mr. Whitt, do you have a
13 reference to some testimony? That would be helpful.

14 MR. WHITT: It is the stricken Stafford
15 testimony.

16 MS. VON QUALEN: I am going to object to
17 questioning on stricken testimony.

18 MR. WHITT: Well, Your Honor, I believe the
19 door has been opened. The witness has indicated
20 something cannot be done. I am entitled to establish
21 that that in fact can be done and was proposed to
22 have been done in this case.

1 MS. VON QUALEN: If I may respond, I don't
2 believe Ms. Ebrey can be asked to look at some
3 testimony that was, for one thing, stricken from this
4 docket and also testimony that was not prepared by
5 her. She can't testify -- I am not sure what
6 Mr. Stafford did in that testimony, but I am pretty
7 sure that Ms. Ebrey cannot say exactly how he did it
8 and that it was accurate and he succeeded in whatever
9 it was he was trying to do.

10 JUDGE YODER: Anything else?

11 MR. WHITT: She is able to testify whether we
12 attempted to do it, attempted to track ratepayer
13 supply to OPEBs.

14 JUDGE YODER: I will let her answer that
15 limited question.

16 MS. EBREY: Can you repeat the question for me?

17 BY MR. WHITT:

18 Q. That Mr. Stafford prepared an analysis for
19 this case in which he attempted to track ratepayer
20 supply to OPEB funds over a period of time?

21 A. I believe the stricken testimony included
22 an analysis. However, I don't believe that that type

1 of thing is possible, based on my understanding of
2 ratemaking.

3 Q. Could pension and OPEB expenses be tracked
4 in a manner similar to how that expense is tracked
5 for uncollectibles?

6 A. No, I don't believe.

7 Q. Why not?

8 A. Going back to your earlier question about
9 the uncollectibles rider case, there is some distinct
10 differences between the OPEB issue and the
11 uncollectibles issue.

12 Q. Such as?

13 A. For one, there is a direct connection
14 between the amount of uncollectibles approved in a
15 rate case and the revenues. It was discussed in my
16 testimony in the 09-0399 docket and it is also
17 apparent in this case through the use of a gross
18 revenue conversion factor. The amount of
19 uncollectibles is based on the revenues. No similar
20 relationship exists for OPEB costs, that I am aware
21 of.

22 The second difference is that there

1 was a new law that said that the uncollectibles were
2 to be recovered through both base rates and through a
3 rider mechanism. And, therefore, some measurement
4 had to be determined. What was suggested in the
5 uncollectibles case was by no means perfect. I think
6 I said it was not a precise measurement, but it was
7 the best thing that we could come up with, given the
8 law required us to do that.

9 And the third thing that comes to my
10 mind is that -- well, I think I just said it, the law
11 required that determination of the amount of
12 uncollectibles recovered in rates. We didn't
13 necessarily agree that it was possible, but the
14 proposal I made was the most reasonable method that I
15 could come up with to make that determination.

16 I don't think that there is any of
17 those specific instances that I have just cited exist
18 for the OPEB. There is not a direct relationship
19 with revenues. There is no law that says the OPEBs
20 included in rates need to be determined, because I
21 don't believe that it is possible to do that.

22 Q. Okay. Well, let's assume the Commission

1 establishes pension expense or pension and OPEB
2 expense based on SFAS 87 and SFAS 106. Would we not
3 then have a direct connection between what is in
4 rates and what the level of expense is or what's
5 collected from ratepayers?

6 A. Not necessarily, because rates are to set
7 an overall cost of service. It is not to set an
8 amount for any specific line item.

9 MR. WHITT: I have nothing further.

10 JUDGE YODER: Okay, Mr. Sturtevant?

11 MR. STURTEVANT: Thank you, Your Honor. Yes, I
12 have some additional questions for Ms. Ebrey.

13 CROSS EXAMINATION

14 BY MR. STURTEVANT:

15 Q. Good morning, Ms. Ebrey. My name is Albert
16 Sturtevant, attorney for the Ameren Illinois
17 Utilities.

18 A. Good morning.

19 Q. I would like to discuss with you this
20 morning the topic of incentive compensation.

21 If you could turn to your direct
22 testimony, page 12, and I am looking at lines started

1 at line 264. And you state there that the Company
2 was unable to provide any benefit to customers of
3 employee attainment to the operational goals on the
4 2008 scorecard, is that correct?

5 A. That's correct.

6 Q. And then if I direct you to page 11 of your
7 rebuttal testimony, at the bottom of page 11 in the
8 footnotes there and I guess in the discussion as
9 well, you would agree that you indicate recovery
10 should be permitted for certain KPIs, is that
11 correct?

12 A. Right. That was based on information that
13 I received after my direct testimony had been filed.

14 Q. Okay. And what is a KPI?

15 A. Key performance indicator.

16 Q. And that's a goal or a measure that's used
17 to establish whether incentive compensation expense
18 is paid out?

19 A. Right.

20 Q. And also in your rebuttal testimony, page
21 9, I direct you to line 181, I believe, and you
22 state, do you not, on lines 181 and 182 that the

1 missing piece of the analysis is the outcome of the
2 AIU's performance of those goals? I believe you
3 refer to incentive compensation goals.

4 A. Correct.

5 MR. STURTEVANT: Your Honor, I would like to
6 mark, I believe it would be, AIU Ebrey Cross Exhibit
7 1.

8 (Whereupon AIU Ebrey Cross
9 Exhibit 1 was presented for
10 identification as of this date.)

11 Q. And this is a document that's entitled
12 AIU-ICC 23.12, correct?

13 A. Correct.

14 Q. And that's a data response, correct?

15 A. Correct.

16 Q. And it's a data response that you prepared,
17 is that correct?

18 A. That's correct.

19 Q. And in this data response would you agree
20 that you describe various documents and other sources
21 of information that you relied on in forming your
22 conclusions regarding the AIU's request to recover

1 incentive compensation expense?

2 A. That is correct.

3 Q. So, for example, would you agree, subject
4 to check or counting them up, that you responded to
5 or you relied on the responses to approximately 20
6 data requests?

7 A. I would say that I considered the
8 information in those data requests, yes.

9 Q. Well, in fact, what you say in your data
10 response is that, for example, you also relied on AIU
11 responses to Staff data requests concerning incentive
12 compensation costs, including a list of data
13 responses, is that correct?

14 A. That is correct.

15 Q. And with those data responses there was
16 provided various attachments and information that you
17 also relied on, is that correct?

18 A. That is correct.

19 Q. And in addition to the data response
20 information that you relied on, as indicated here in
21 Ebrey Cross Exhibit 1, you also relied upon
22 information provided during Staff field work, is that

1 correct?

2 A. That's correct.

3 Q. Information obtained in interviews with
4 human resources personnel, is that correct?

5 A. That's correct.

6 Q. Various other telephone conversations are
7 identified here as well and you relied on those as
8 well, is that correct?

9 A. That's correct.

10 Q. I would like to talk about some of the
11 specific data responses that you indicate in this
12 Cross Exhibit 1 that you relied on, and I will mark
13 AIU Ebrey Cross Exhibit 2.

14 Now, this is marked as TEE 5.02, is
15 that correct?

16 A. That's correct.

17 Q. And you indicated in what I have marked as
18 Cross Exhibit 1 that that was one of the data request
19 responses that you relied on, correct?

20 A. Yes.

21 Q. So you prepared this data request?

22 A. Yes.

1 Q. And you reviewed the information contained
2 in the response, is that correct?

3 A. Yes.

4 Q. And would you agree that in addition to the
5 text on the front here, provided with that response
6 were attachments which you have there entitled 2009
7 Regulated Union Performance Scorecard, is that
8 correct?

9 A. It's 2009 Illinois Regulated Union
10 Performance Scorecard.

11 Q. Thank you. And you did review the 15 or so
12 attachments to this response, is that correct?

13 A. I did look at these when they came in, yes.

14 Q. And you would agree that each of the pages
15 attached to this response that you relied on contain
16 various KPIs or key performance indicators?

17 A. Yes.

18 Q. And for each KPI there is a column for YTD
19 or year-to-date performance, is that correct?

20 A. Yes.

21 Q. And there is also a column for year end
22 forecasted performance, is that correct?

1 MS. VON QUALEN: I am going to object at this
2 point to this line of questioning. I am not sure
3 where Mr. Sturtevant is going with this. But this is
4 not something that was prepared by Ms. Ebrey, and I
5 do object to him trying to put into evidence
6 something that was not prepared by her, about which
7 she cannot verify the accuracy of. This is something
8 that if Ameren wanted in evidence, they surely had a
9 witness that could sponsor it and discuss under oath
10 what was included in it and the accuracy.

11 MR. STURTEVANT: Your Honor, first of all, as I
12 believe Cross Exhibit 1 makes clear, Ms. Ebrey is
13 relying on these materials as the basis for her
14 testimony. And I think for that reason alone, it
15 would be appropriate to cross-examine them on her. I
16 am not sure we have gotten to the question of their
17 admissibility into the record yet, but I would say
18 they would be properly admitted on that basis alone.

19 In addition, Ms. Ebrey has claimed in
20 her testimony that the Ameren Illinois Utilities have
21 not provided her with sufficient information
22 regarding ratepayer benefits related to incentive

1 compensation expense. We are entitled to
2 cross-examine her and determine the basis for that
3 assertion and seek to enter into the record
4 information that allows the Ameren utilities to
5 challenge and respond to the claims in her testimony.

6 JUDGE YODER: I will sustain the objection.

7 MR. STURTEVANT: Your Honor, I had a number of
8 other data requests that I had hoped to discuss with
9 Ms. Ebrey. I assume for the purposes of the record
10 that your ruling would be the same on those and,
11 therefore, I will not --

12 JUDGE YODER: Similar data requests of AIU's
13 responses?

14 MR. STURTEVANT: Yeah, Your Honor, they are
15 similar information regarding performance scorecards
16 and information related to data responses in which
17 KPI, Scorecard and other incentive compensations
18 similar to what I was just discussing with Ms. Ebrey.

19 JUDGE YODER: I don't want to prejudge my
20 ruling, but if they are similar to that, I think
21 probably, yeah.

22 MR. WHITT: Not to cross or step on

1 Mr. Sturtevant's toes, but perhaps it would be
2 appropriate to make an offer of proof to identify
3 specific DRs, and then everybody knows what we are
4 referring to.

5 JUDGE YODER: That's fine. Make an offer of
6 proof.

7 MR. STURTEVANT: I will do that. I can make an
8 offer of proof for the applicable information.

9 Q. Ms. Ebrey, you do not contend that in order
10 to show that a KPI produces a ratepayer benefit, such
11 benefit must be a quantified financial benefit, is
12 that correct?

13 A. I don't think there needs to be a specific
14 dollar amount attached with every KPI to prove that
15 there is a benefit, no, and I think I have addressed
16 that in my testimony.

17 Q. Okay. So it is your position that to show
18 that a KPI produces a rate benefit, such benefit does
19 not have to be a quantified financial benefit, is
20 that correct?

21 A. To the extent that it can be quantified, I
22 think it should be. But I do agree that not every

1 benefit is financially quantifiable.

2 MR. STURTEVANT: I think we are up to -- Your
3 Honor, I am marking AIU Ebrey Cross Exhibit 3, I
4 think is what we are up to.

5 JUDGE YODER: Off the record for a second.

6 (Whereupon there was then had an
7 off-the-record discussion.)

8 JUDGE YODER: Back on the record.

9 BY MR. STURTEVANT:

10 Q. And, Ms. Ebrey, AIU Cross Exhibit 3, that's
11 entitled AIU-ICC 23.11, is that correct?

12 A. That is correct.

13 Q. And that is a data response that you
14 prepared, is that correct?

15 A. Correct.

16 Q. And in that you state that "Ms. Ebrey does
17 not contend that in order to show that a KPI produces
18 a ratepayer benefit, such benefit must be a
19 quantified financial benefit," is that correct?

20 A. That's correct.

21 Q. You do not contend that the AIU intend to
22 modify their 2009 incentive compensation plan, is

1 that correct?

2 A. I don't have any reason to believe that
3 they do intend to modify their plan, no.

4 Q. And you do not contend that the AIUs intend
5 to terminate the 2009 incentive compensation plan, is
6 that correct?

7 A. I don't have any reason to believe that,
8 no.

9 MR. STURTEVANT: That's all the questions I
10 have. Your Honor, I guess I would move for admission
11 of Ebrey Cross Exhibit 1. And with respect to the
12 offer of proof, the offer of proof would include
13 other responses to Data Request TEE 5.02, TEE 9.03,
14 TEE 9.01, and in addition information related to the
15 Ameren Illinois Utilities' 2008 Illinois regulated
16 performance scorecard which Ms. Ebrey, I believe,
17 reviewed in her field visit.

18 JUDGE YODER: Okay. I assume you have those.
19 Are you making AIU Cross Exhibit 2 part of that or is
20 that separate?

21 MR. STURTEVANT: I guess would it be easiest if
22 we simply compiled all this material together to AIU

1 Cross Exhibit 2 and made that the offer of proof?

2 JUDGE YODER: That would be fine, yeah.

3 MR. STURTEVANT: And I guess my suggestion
4 would be that we would file this on e-Docket in
5 conjunction with our various other filings.

6 JUDGE YODER: That would be fine. Are you also
7 moving for the admission of AIU Cross Exhibit 3?

8 MR. STURTEVANT: Yes, and I am moving for the
9 admission of AIU Cross Exhibit 1.

10 JUDGE YODER: One and three?

11 MR. STURTEVANT: Just one.

12 JUDGE YODER: Okay. Any objection to the
13 admission of AIU Ebrey Cross Exhibit 1?

14 MS. VON QUALEN: No.

15 JUDGE YODER: Okay. That will be admitted into
16 evidence then in this dockets.

17 (Whereupon AIU Ebrey Cross
18 Exhibit 1 was admitted into
19 evidence.)

20 JUDGE YODER: And let the record reflect that
21 Mr. Sturtevant for the AIU Utilities will compile
22 Cross Exhibit 2 with the other items that were

1 mentioned into a single offer of proof for
2 Ms. Ebrey's testimony.

3 Do you need to speak with Ms. Ebrey
4 for a moment?

5 MS. VON QUALEN: Yeah, we will take a few
6 minutes.

7 JUDGE YODER: Should we just go ahead and take
8 a break? Do you want to come back after lunch or do
9 you want to do it now?

10 MS. VON QUALEN: Either way is okay with me.

11 JUDGE YODER: Well, I don't know what you expect
12 from cross.

13 MS. VON QUALEN: I wouldn't expect that it
14 would take long.

15 JUDGE YODER: Okay. We will just take a minute
16 then.

17 (Whereupon the hearing was in a
18 short recess.)

19 JUDGE YODER: Back on the record then. Ms. Von
20 Qualen, do you have any redirect?

21 MS. VON QUALEN: Yes, I have just a few
22 questions.

1 REDIRECT EXAMINATION

2 BY MS. VON QUALEN:

3 Q. Ms. Ebrey, do you recall Mr. Whitt asking
4 you about the uncollectible calculation in
5 Mr. Millburg and Mr. Jones' testimony?

6 A. Yes.

7 Q. Is that the calculation that you would
8 expect to be included in the final order in this
9 matter?

10 A. No, I would have expected the calculations
11 to be rerun based on the findings in the final order
12 as far as the uncollectibles expense that's approved.

13 Q. Thank you. Mr. Whitt also asked you
14 regarding the pension benefits. He asked you some
15 questions about using the total SFAS of September
16 2009. I recall you mentioning that you had one
17 concern which was that you weren't sure if the final
18 report would reflect an annual or monthly amount.
19 Did you have any other concerns regarding the
20 September 2009 ending date?

21 A. Yes. It's my understanding that the
22 amounts recorded on the Ameren books as of September

1 2009 would not reflect the work force reduction that
2 occurred in the last quarter of 2009, and I believe
3 that the impact of that work force reduction would be
4 reflected in the final actuarial study. Therefore,
5 the 2009 actual booked amounts would not be
6 appropriate.

7 MS. VON QUALEN: Thank you. I don't have any
8 other questions.

9 JUDGE YODER: Any recross, Mr. Reddick?
10 Mr. Whitt or Mr. Sturtevant, any recross?

11 MR. WHITT: No questions.

12 JUDGE YODER: Mr. Sturtevant?

13 MR. STURTEVANT: No questions.

14 JUDGE YODER: All right then. You may step
15 down, Ms. Ebrey, and come back later as Ms. Everson.

16 (Witness excused.)

17 Is there any objection then to the
18 admission of the previously identified Staff direct
19 or rebuttal testimony of Ms. Ebrey?

20 Hearing none, Staff Exhibit 1.0, the
21 direct testimony of Ms. Ebrey filed with the
22 accompanying schedules and attachments, and Staff

1 Exhibit 15.0, the rebuttal testimony of Ms. Ebrey
2 filed with the accompanying schedules and attachment
3 will be admitted then into evidence in this docket.

4 (Whereupon ICC Staff Exhibits
5 1.0 and 15.0 were admitted into
6 evidence.)

7 JUDGE YODER: We are just about ready to break
8 for lunch, but I understand Mr. Robertson had one
9 witness to put on, just to have sworn and have his
10 testimony put in. There is no cross for him, so we
11 will do that. If nobody cares about that, you can go
12 ahead and leave while Mr. Stephens puts his testimony
13 in the record.

14 MR. WHITT: I am sorry if I missed something,
15 but are we doing the Everson portion?

16 JUDGE YODER: We will do that after lunch.
17 Ms. Ebrey can come back as Ms. Everson after lunch.

18 Mr. Stephens, were you previously
19 sworn in this docket?

20 MR. STEPHENS: Yes, I was.

21 JUDGE YODER: Go ahead, Mr. Robertson.

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ROBERT R. STEPHENS

called as a witness on behalf of the Illinois
Industrial Energy Consumers, having been first duly
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. E. ROBERTSON:

Q. Mr. Stephens, would you identify yourself
for the record, please.

A. Robert R. Stephens.

Q. I am sorry, did you identify yourself for
the record?

A. Yes, I did.

Q. And on whose behalf are you testifying here
today?

A. Illinois Industrial Energy Consumers.

Q. And I show you now what has been marked as
IIEC Exhibit 1.0-C, the Corrected Direct Testimony of
IIEC witness Robert R. Stephens and Exhibits 1.1,
1.2, 1.3 and 1.4 attached thereto. Do you have that
document?

A. Yes, I do.

Q. And was it prepared under your supervision

1 and your direction?

2 A. Yes.

3 Q. And do you have a correction to make at
4 page 12 in Footnote 11?

5 A. No, I do not. That's to my rebuttal
6 testimony.

7 Q. Oh, thanks. That's why you get the big
8 bucks.

9 Do you have any corrections to your
10 direct testimony and exhibits?

11 A. No, I do not.

12 Q. Is the information contained in there true
13 and correct to the best of your information and
14 belief?

15 A. Yes.

16 Q. I show you now what has been marked as IIEC
17 Exhibit 5.0-C, the Corrected Rebuttal Testimony of
18 IIEC witness Robert R. Stephens. Do you have that
19 document?

20 A. Yes, I do.

21 Q. And attached to that document are IIEC
22 Exhibits 5.1, 5.2 and 5.3. Do you have those as

1 well?

2 A. Yes.

3 Q. And were those documents prepared under
4 your supervision and direction?

5 A. Yes.

6 Q. I call your attention to Footnote 11 on
7 page 12 of IIEC Exhibit 5.0-C and ask whether or not
8 you proposed to change the word "two", T-W-O, that
9 appears in the next to the last line of that footnote
10 to "one"?

11 A. Yes, I do.

12 Q. And do you propose to change the word
13 "their", T-H-E-I-R, at the end of that line to "its"?

14 A. Yes, I do.

15 Q. With those corrections do you have any
16 other additions or corrections to your testimony?

17 A. No, I do not.

18 MR. E. ROBERTSON: Then I would move the
19 admission of IIEC Exhibits 1.0-C, 1.1, 1.2, 1.3, 1.4,
20 5.0-C, as corrected, 5.1, 5.2 and 5.3 into the
21 record.

22 JUDGE YODER: Any objection to the admission of

1 those documents?

2 MR. TOMC: No objection, Your Honor.

3 JUDGE YODER: Hearing no objection, the IIEC
4 Exhibit 1.0, the corrected direct testimony of Mr.
5 Stephens filed September 15, IIEC Exhibits 1.1
6 through 1.4 filed September 28, IIEC Exhibit 5.0, the
7 corrected rebuttal testimony of Mr. Stephens filed
8 December 15, and IIEC Exhibits 5.1 and 5.3 filed
9 November 20 all in 2009 will be admitted into
10 evidence then in this docket.

11 (Whereupon IIEC Exhibits 1.0-C,
12 1.1, 1.2, 1.3, 1.4, 5.0-C, 5.1,
13 5.2 and 5.3 were admitted into
14 evidence.)

15 JUDGE YODER: Thank you. All right then, break
16 for lunch. Off the record. Be back about 1:10 or
17 so.

18 (Whereupon the hearing was in
19 recess until 1:10 p.m.)
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1 AFTERNOON SESSION

2 (Whereupon the proceedings are
3 now being stenographically
4 reported by Laurel A. Patkes.)

5 JUDGE ALBERS: All right. We're on the record
6 again following lunch.

7 Before we hear from Ms. Ebrey
8 regarding Ms. Everson's testimony, Mr. Streator would
9 like to enter his appearance and take care of his
10 witnesses' exhibits for whom I don't believe there's
11 any cross.

12 MR. STREETER: Thank you, Judge.

13 Bill Streeter for the Grain & Feed
14 Association of Illinois. I'm with the Hasselberg
15 Williams firm, 124 Southwest Adams in Peoria.

16 At this time, the Grain & Feed
17 Association of Illinois would move to admit
18 Exhibits 1.0E and 1.0G being the direct testimony of
19 Jeffrey Adkisson as well as the attached
20 Exhibit 1.01. All of that was filed on e-docket
21 September 28, 2009.

22 I would also move to admit the

1 rebuttal testimony of Jeffrey Adkisson being
2 Exhibits 2.0E and 2.0G, both filed November 20, 2009
3 on e-docket.

4 Finally, we would also move to admit
5 the affidavit of Jeffrey Adkisson which is
6 Exhibit 3.0 filed on e-docket on December 16, 2009.

7 JUDGE ALBERS: Any objection?

8 Hearing no objection, the
9 aforementioned exhibits are admitted into the record.

10 (Whereupon Grain & Feed
11 Association Exhibits 1.0E, 1.0G
12 & 1.01, 2.0E, 2.0G & 3.0 were
13 admitted into evidence at this
14 time.)

15 MR. STREETER: Thank you.

16 JUDGE YODER: Mr. Streeter, what date was the
17 affidavit filed?

18 MR. STREETER: Yesterday.

19 JUDGE ALBERS: All right. Turning to Ms. Ebrey
20 again.

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THERESA EBREY

called as a witness herein, on behalf of staff of the
Illinois Commerce Commission, having been previously
sworn on her oath, was examined and testified as
follows:

DIRECT EXAMINATION

BY MS. VON QUALEN:

Q. Ms. Ebrey, would you state your name for
the record?

A. Theresa Ebrey E-b-r-e-y.

Q. Ms. Ebrey, you appear to be but are you the
same Ms. Ebrey who testified earlier today?

A. Yes, I am.

Q. Do you have before you a document which has
been 4een marked as ICC Staff Exhibit 2.0, direct
testimony of Mary H. Everson September 28, 2009?

A. Yes, I do.

Q. Is it your testimony today that you are
adopting the direct testimony of Ms. Everson as your
own in this proceeding?

A. That's correct.

Q. And you also have before you a document

1 which has been marked as ICC Staff Exhibit 16.0,
2 rebuttal testimony of Mary H. Everson dated
3 November 20, 2000.

4 A. Yes.

5 Q. Are you also adopting the rebuttal
6 testimony of Ms. Everson?

7 A. Yes, I am.

8 Q. Ms. Ebrey, do you have any changes or
9 corrections to make to ICC Staff Exhibit 2.0 or ICC
10 Staff Exhibit 16.0 or the attachments thereto?

11 A. Yes, I do. The Schedules 16.01 for each of
12 the utilities needs to be corrected.

13 On line 6, the difference for
14 accumulated depreciation is staff adjustment. The
15 signs on those need to be the opposite.

16 For example, I'm looking at the CILCO
17 electric schedule. It should reflect an increase to
18 accumulated depreciation. The number on line 6
19 should be in brackets rather than the decrease which
20 is the way that the schedules are reflected, and that
21 correction, the change in sign on each Schedule 16.01
22 needs to be made.

1 Q. Thank you.

2 Other than those corrections, is the
3 information contained in ICC Staff Exhibit 2.0 and in
4 the schedules attached thereto and the information
5 contained in ICC Staff Exhibit 16.0 and the schedules
6 attached thereto true and correct to the best of your
7 knowledge?

8 A. Yes.

9 Q. And if I were to ask you the same questions
10 today, would your answers be the same?

11 A. Yes.

12 MS. VON QUALEN: At this time, I'd move for
13 entry into evidence of ICC Staff Exhibit 2.0 with
14 attached schedules and ICC Staff Exhibit 16.0 with
15 attached schedules.

16 JUDGE ALBERS: What was the line number with
17 that correction, please?

18 THE WITNESS: Line 6, and really, lines 4, 5
19 and 6, the signs all need to be changed, but the
20 impact is that line 6 needs to be increase to
21 accumulated depreciation instead of decrease.

22 JUDGE ALBERS: Okay. Any objection at this

1 time?

2 Hearing none, we'll hear
3 cross-examine.

4 Mr. Whitt?

5 MR. WHITT: I'm actually down to one question
6 so I don't mind going first.

7 CROSS-EXAMINATION

8 BY MR. WHITT:

9 Q. Ms. Ebrey, with respect to the IP
10 regulatory asset, I just want to confirm that staff
11 agrees that the unamortized balance should be
12 restated to reflect eight unamortized months instead
13 of six, is that correct?

14 A. That's correct. The calculation that's
15 shown on the adjustment schedule, the total amount
16 should be divided or it should reflect eight months
17 of amortization instead of six.

18 MR. WHITT: Thank you. That's all I have.

19 JUDGE ALBERS: Okay. And then CUB/AG still
20 have questions?

21 MR. BOROVIK: No, Your Honor.

22 JUDGE ALBERS: All right. Mr. Reddick?

1 CROSS-EXAMINATION

2 BY MR. REDDICK:

3 Q. Ms. Ebrey, I started to ask you a question
4 earlier, but we put it off until you assumed the role
5 of Ms. Everson so I'll start there.

6 Am I correct that the AIU companies
7 propose an adjustment to their ratemaking rate bases
8 for the plant addition of about a quarter billion
9 dollars in plant investment, and that's about to take
10 place over a period of about 14 months?

11 A. That's correct.

12 Q. And I would like for you to, for this next
13 question, to assume that the AIUs post test year
14 plant additions actually occur as planned over the
15 post test year period ending in February 2010, and
16 assume further that changes to the depreciation
17 reserve are recorded in accordance with normal
18 accounting rules over the same period.

19 And my question is, in the absence of
20 extraordinary events, would the rate base that the
21 AIU companies propose in this case including the
22 proposed test year adjustments be more than the net

1 plant shown on the utilities books at the end of
2 February 2010?

3 A. Your question is whether the net plant
4 would be --

5 Q. Less than the proposed rate base in this
6 case with the assumptions that I outlined.

7 A. Yes.

8 Q. Is that yes to the assumptions or yes as to
9 the answer to the question?

10 A. Yes in answer to the question.

11 Q. Okay. One final point.

12 I did not see in staff's testimony a
13 substantive analysis of the post test year
14 adjustments proposed by IIEC witness Mr. Gorman.

15 Am I correct in inferring that staff's
16 acceptance of the AIU proposal was based
17 substantially on the Commission's rulings on this
18 issue in recent ComEd and PGL cases?

19 A. Is your question about staff's reflection
20 of the post test year additions or staff's position
21 on the proposal by Mr. Gorman?

22 Q. The first.

1 A. I think staff has a position on the test
2 year plant additions based on information that was
3 provided by the Ameren utilities. I don't believe
4 that staff presented a position on Mr. Gorman's
5 adjustment in any prefiled testimony.

6 Q. Yes, I believe you're correct there. I
7 didn't understand your answer though, the first part
8 of your answer to refer to the known and measurable
9 dispute between staff and the AIU over certain period
10 plant additions or whether you were talking about
11 acceptance of the post test year adjustments without
12 the depreciation adjustment.

13 Which were you referring to?

14 A. The post test year adjustments without the
15 depreciation adjustment.

16 Can I back up a minute?

17 Staff's concern in direct testimony
18 was that the plant additions were not known and
19 measurable. Staff's adjustment and as reflected in
20 the testimony says that the company provided evidence
21 to remove that concern about the known and measurable
22 issue as far as those plant additions were concerned.

1 Q. And can you confirm that staff did not
2 include in its prefiled a testimony a substantive
3 analysis of the pro forma adjustment?

4 A. Which pro forma adjustment?

5 Q. The question of whether the pro forma
6 adjustment relating to depreciation -- I'm sorry.
7 Let me rephrase that.

8 Whether the company's proposal to
9 reflect pro forma plant additions without the
10 depreciation adjustment was appropriate, that was not
11 included in staff's testimony?

12 A. That's correct.

13 MR. REDDICK: Okay. That's all. Thank you.

14 MR. WHITT: Ms. Ebrey, staff received and
15 reviewed the direct rebuttal testimony of Mr. Gorman,
16 correct?

17 MR. REDDICK: Your Honor, I believe redirect
18 goes to Ms. Von Qualen.

19 JUDGE ALBERS: Yes. I was waiting for a
20 request for leave to seek further cross.

21 MR. WHITT: I'm sorry if I was out of school.
22 I would have a few follow-up questions based on cross

1 questions asked by IIEC.

2 MR. REDDICK: I'm not sure the procedures allow
3 for that.

4 JUDGE ALBERS: Well, it's staff's witness so
5 let's --

6 MS. VON QUALEN: She's already been crossed by
7 the company once, twice I should say, this morning,
8 so staff would object to further cross-examination.

9 JUDGE ALBERS: Okay. Well, we're going to cut
10 it off there then.

11 Any redirect?

12 MS. VON QUALEN: Can we have just a minute?

13 JUDGE ALBERS: Yes.

14 (Pause)

15 MS. VON QUALEN: Staff has no redirect.

16 JUDGE ALBERS: Any objection to the previously
17 identified exhibits that Ms. Ebrey is adopting?

18 Hearing no objection, then those
19 exhibits are admitted into the record.

20 (Whereupon ICC Staff Exhibits
21 2.0 and 16.0 were admitted into
22 evidence at this time.)

1 JUDGE ALBERS: Thank you, Ms. Ebrey.

2 (Witness excused.)

3 JUDGE ALBERS: Next witness is Dothage.

4 MS. LIN: Judges, just for the record, we're

5 going to do Mr. Dothage and then Mr. Bridal and then

6 Mr. Sackett.

7 JUDGE ALBERS: Okay.

8 Were you sworn in this morning, sir?

9 MR. DOTHAGE: Yes.

10 JUDGE ALBERS: Whenever you're ready.

11 MR. TROMBLEY: Thank you.

12 Your Honor, I have a little bit of

13 administration I guess to start off.

14 The parties, the staff, Constellation

15 and Ameren have agreed to enter a few data request

16 responses into the record in lieu of and in an effort

17 to shorten the cross-examination. I was intending to

18 address those in the cross-examination of David

19 Sackett. I don't know if it would be better to

20 introduce them here along with the prefiled

21 testimony.

22 Is there a preference?

1 JUDGE ALBERS: Well, not knowing what they are,
2 I don't know which way would be more appropriate.

3 MR. TROMBLEY: We'll just hold it for
4 cross-examination.

5 JUDGE ALBERS: Okay. That's fine.

6 KENNETH C. DOTHAGE
7 called as a witness herein, on behalf of Ameren
8 Illinois Utilities, having been first duly sworn on
9 his oath, was examined and testified as follows:

10 DIRECT EXAMINATION

11 BY MR. TROMBLEY:

12 Q. Good afternoon, Mr. Dothage. Will you
13 please state your full name and business address for
14 the record?

15 A. My name is Kenneth C. Dothage
16 (D-o-t-h-a-g-e). My business address is 1 Ameren
17 Plaza, 1901 Chouteau Avenue, St. Louis, Missouri
18 63103.

19 Q. Did you prepare testimony and exhibits for
20 submission in these proceedings?

21 A. Yes, I did.

22 Q. Did you prepare or cause to be prepared

1 testimony and exhibits -- excuse me. Did you prepare
2 or cause to be prepared the direct testimony of
3 Kenneth C. Dothage that was previously marked Ameren
4 Exhibit 22.0G and filed on e-docket on June 5, 2009?

5 A. Yes, I did.

6 Q. Did you also prepare or cause to be
7 prepared the exhibits attached to your direct
8 testimony that were previously marked Ameren
9 Exhibits 22.1G and 22.2G?

10 A. Yes, I did.

11 Q. Did you prepare or cause to be prepared the
12 rebuttal testimony of Kenneth C. Dothage that was
13 previously marked Ameren Exhibit 44.0 and filed on
14 e-docket on October 23, 2009?

15 A. Yes.

16 Q. Did you prepare or cause to be prepared
17 exhibits attached to your rebuttal testimony that
18 were previously marked Ameren Exhibits 44.1 through
19 44.5?

20 A. Did it go to 44.5?

21 Q. I believe so.

22 A. Yes, I did.

1 Q. Did you prepare or cause to be prepared the
2 revised surrebuttal testimony of Kenneth C. Dothage
3 that was previously marked Ameren Exhibit 64.0
4 Revised that was filed on e-docket on December 8,
5 2009?

6 A. Yes, I did.

7 Q. Do you have any corrections or
8 modifications to any of these testimonies or
9 exhibits?

10 A. Yes, I do.

11 On my surrebuttal, Exhibit 64.0
12 Revised, line 280, the word "storage" should be
13 "bank," and on line 450 of my surrebuttal as well,
14 the word "storage" there should be "bank."

15 On line 523, the percentage of 22.6
16 percent should be 18.8 percent.

17 JUDGE ALBERS: 18.8?

18 THE WITNESS: 18.8.

19 JUDGE ALBERS: Thank you.

20 THE WITNESS: And then the next line, 524, the
21 reference to DAS 7.05 should be DAS 7.05R.

22 Those are all the corrections.

1 Q. BY MR. TROMBLEY: With those corrections,
2 is the information contained in these testimonies and
3 exhibits correct to the best of your knowledge?

4 A. Yes, they are.

5 Q. If I were to ask you the same questions
6 today, would your answers as corrected be the same?

7 A. Yes, they would.

8 MR. TROMBLEY: Your Honors, at this time we'd
9 like to admit into evidence, move for admission into
10 evidence the following Ameren exhibits: 22.0G,
11 22.1G, 22.2G, 44.0 through 44.5 and 64.0 Revised.

12 JUDGE ALBERS: Any objection?

13 MS. LIN: None.

14 JUDGE YODER: Is 44.4 filing confidential?

15 MR. TROMBLEY: It is.

16 JUDGE ALBERS: Okay. We'll hear any
17 cross-examination.

18 IIEC still have any questions?

19 MR. ROBERTSON: Yes.

20 CROSS-EXAMINATION

21 BY MR. ROBERTSON:

22 Q. Mr. Dothage, could you please refer to page

1 14 of your surrebuttal testimony, Exhibit 64.0
2 Revised?

3 A. Page 14. I'm there.

4 Q. In the question that begins on page 14,
5 line 301, you note that Mr. Sackett had criticized
6 you for not providing any alternative to the present
7 level of Rider T banks, is that correct?

8 MR. TROMBLEY: Excuse me. I don't see a
9 question starting on line 301.

10 JUDGE YODER: Off the record.

11 (Whereupon an off-the-record
12 discussion transpired at this
13 time.)

14 JUDGE YODER: Back on the record.

15 MR. ROBERTSON: Okay. Try page 13, line 287.

16 THE WITNESS: Okay. I'm there.

17 Q. You note that in your question that begins
18 on page 13, line 287, that Mr. Sackett had criticized
19 you for not providing any alternative to the present
20 level of Rider T banks, is that correct?

21 A. Yes, I see that, yes.

22 Q. And your answer is, "I did not previously

1 offer any alternatives in my rebuttal testimony
2 because Mr. Sackett only proposes to address the
3 unbundling allocation in the next AIU rate
4 proceeding," is that correct?

5 A. That is correct.

6 Q. Now, do you think that consistent with that
7 observation, other parties may not have made other
8 proposals or addressed some of these issues because
9 staff had not proposed to address the issues until
10 the next case?

11 A. I'm not sure I understand your question.

12 Are you asking if it's my opinion that
13 no one else can raise --

14 Q. Is it possible that other parties may not
15 have made other proposals or addressed some of these
16 issues because staff had not proposed to address
17 these issues until the next rate case proceeding?

18 A. I think in this case, no other party raised
19 these issues.

20 Q. Yes. And I'm asking you is it possible
21 that other parties may not have raised any issues
22 because the staff was not proposing that these issues

1 be addressed until the next rate case?

2 MS. LIN: Judge, I'm going to object that
3 Mr. Robertson is asking Mr. Dothage to speculate on
4 what other parties would or wouldn't have done.

5 JUDGE ALBERS: It's your witness.

6 MR. TROMBLEY: I concur.

7 JUDGE ALBERS: I sustain the objection.

8 Q. BY MR. ROBERTSON: Now, you support in your
9 surrebuttal testimony here the concept of a workshop
10 involving the company, the staff, and intervenors to
11 work out these issues, is that correct?

12 A. That's correct.

13 Q. And that would be in the next proceeding?

14 A. It would be prior to the next proceeding.

15 Q. So if the issues are going to be worked out
16 in a workshop prior to the next proceeding, do you
17 agree there was no need for any party to address
18 those issues in the context of this case other than
19 the staff?

20 MS. LIN: Objection. Again, it calls for
21 speculation as to what's going to be happening at the
22 workshop and what kinds of decisions or resolutions

1 will be revealed during the workshop.

2 I believe, and correct me if I'm
3 wrong, Mr. Robertson, you're asking Mr. Dothage to
4 speculate on what kinds of events will be occurring
5 at the workshop that would impact discussing them
6 today during this rate case proceeding.

7 Would that be a fair verbose way of
8 rephrasing your question?

9 MR. ROBERTSON: I suppose. That's fine. You
10 can rephrase it any way you like.

11 MR. TROMBLEY: Your Honor, I concur with the
12 objection.

13 JUDGE YODER: All right.

14 JUDGE ALBERS: Sustain that as well.

15 MR. ROBERTSON: 0 for 2.

16 Q. Let me ask you this. Do you believe it
17 would be reasonable for IIEC to be invited to
18 participate in these workshops?

19 A. Certainly.

20 Q. Page 21 of your surrebuttal testimony, I
21 hope this is right.

22 (Pause)

1 Q. It's page 20 of your surrebuttal testimony
2 revised.

3 A. I'm there.

4 Q. Line 427.

5 A. Okay.

6 Q. In that paragraph, you quote a portion of
7 IIEC's response to a data request from the staff. Is
8 that correct?

9 A. That is correct.

10 Q. And the quotation reads IIEC would likely
11 agree in general with unbundling banks from rate base
12 assets in appropriate circumstances but that they
13 have not specifically addressed the issue in this
14 case, is that correct?

15 A. That's the quote from the IIEC data
16 request, yes.

17 Q. Now, are you suggesting that the phrase
18 "they have not specifically addressed the issue in
19 this case" means anything other than they have not
20 specifically addressed the issue in the context of
21 this proceeding?

22 A. Yes, I think that's what I mean there or

1 how I interpreted your quote to read.

2 Q. So it doesn't necessarily mean that IIEC
3 doesn't support or would not support Mr. Sackett's
4 position, is that correct?

5 MS. LIN: Mr. Robertson, can you repeat that
6 question one more time?

7 MR. ROBERTSON: I said -- let me state it a
8 different way.

9 Q. You have not interpreted IIEC's data
10 response to mean that IIEC would not support
11 Mr. Sackett's position, is that correct?

12 A. I read the quote to basically say that the
13 IIEC agrees in the principal of unbundling banks but
14 that the IIEC does not propose that in this
15 proceeding.

16 MR. ROBERTSON: I have no further questions.

17 JUDGE ALBERS: Ms. Lin?

18 MS. LIN: Yes.

19 Good afternoon, Mr. Dothage.

20 THE WITNESS: Good afternoon.

21 MS. LIN: My name is Jennifer Lin, and I
22 represent staff witnesses, and I have a series of

1 questions for you regarding all of this interesting
2 stuff.

3 THE WITNESS: Very good.

4 CROSS-EXAMINATION

5 BY MS. LIN:

6 Q. I'm going to direct your attention to your
7 surrebuttal testimony, and that would be Exhibit 64.0
8 Revised on from page 19.

9 On that page, you've got a table
10 entitled "Ameren Transportation Customer Bank
11 Capacity."

12 Do you see that?

13 A. I do see that.

14 Q. I'm going to note the increase in bank
15 levels for each LDC from 2008 to 2009.

16 From 2008 to 2009, did the tariffed
17 bank levels increase?

18 A. Yes, they did.

19 Q. And what's the cause of that increase?

20 A. I believe the banks increased due to a
21 tariff election that customers have each year to opt
22 on either sales service or transportation service,

1 and in this case, we had a group of customers shift
2 their service selection to transportation service
3 away from sales.

4 Q. Now, I want to talk a little bit about that
5 migration.

6 (Pause)

7 Q. Mr. Dothage, I'm going to take you back to
8 the question that I had previously asked about your
9 table regarding bank capacity, and you had indicated,
10 no, there was no increase, is that correct? Oh, I
11 believe you said yes. I apologize?

12 A. I did say yes, there was an increase from
13 2008 to 2009.

14 Q. All right. I'm going to take you to the
15 2008 line on that table, and I want you to look at
16 the total underneath 2008.

17 Now, if you look at the '07 line, you
18 see a 1552575 number, is that correct?

19 A. That is correct.

20 Q. And then underneath that you see the
21 4055417, is that correct, underneath the 2008 line?

22 A. Yes.

1 Q. Can you describe what that is right there?

2 A. Are you asking for me to describe the
3 change from 2007 to 2008?

4 Q. Correct.

5 A. That was a result of a pretty significant
6 change in the Ameren Illinois Utilities banking
7 provisions that resulted from the previous rate case.

8 Q. Okay. So the 4055417 number under 2008
9 reflects the changes due to the rate case. Would you
10 agree?

11 A. Reflects the changes in the bank limits
12 that resulted from the last rate case which went into
13 effect in October 1 of 2008.

14 Q. Okay. So then when you look at the 2009
15 number and you've got the 4877180 number, did the
16 tariffed bank levels increase from 2008 to 2009?

17 A. Yes, they did, and that was due to the
18 transportation customers or the sales customers
19 switching over the transportation service that we
20 talked about before.

21 Q. So did the tariffed bank levels remain the
22 same from 2008?

1 A. The tariffed bank levels, if I'm
2 understanding your question, are stated right here.
3 You just read the numbers.

4 Are you talking about the tariff
5 provisions?

6 Q. Yes.

7 A. That relate to the number of days?

8 Q. Yes.

9 A. Those stayed the same as well.

10 Q. Okay.

11 A. The tariff allows for ten days of banks.

12 Q. All right. Now, let's go back to the
13 migration from sales customers or from sales service
14 to transportation service as we had been talking
15 about prior to this.

16 All other things being equal, would a
17 customer with an MDCQ of, with a hundred MMBtu that
18 moves from sales service under Rider S to
19 transportation service under Rider T cause Ameren's
20 peak day requirements to increase, decrease, or
21 remain the same?

22 MR. TROMBLEY: I object, Your Honor. That

1 calls for speculation on behalf of the witness.

2 MS. LIN: He's their expert, Judge, and we're
3 just asking for an opinion if he believes if it would
4 increase, decrease or remain the same. He's got
5 multiple choice there.

6 JUDGE ALBERS: The objection is overruled.

7 THE WITNESS: Would you restate your question,
8 please?

9 MS. LIN: Sure.

10 Q. With all other things being equal, would a
11 customer with an MDCQ of a hundred MMBtu that moves
12 from sales service under Rider S to transportation
13 under Rider T cause Ameren's peak day requirements to
14 increase, decrease, or remain the same?

15 A. Our peak day requirements for the system
16 would stay the same because whether that customer is
17 a transportation customer or a sales customer, the
18 assumption is they'll be transporting or buying or
19 using the same amount of gas.

20 I think you were just talking about a
21 customer changing from sales service to
22 transportation service, so our peak day throughput

1 would remain the same.

2 Q. Would you agree that on a peak day, Ameren
3 is responsible for all of the sales customers load,
4 but for a transportation customer, only the lower
5 amount can withdraw from its bank?

6 A. I don't understand the second part. You
7 said the lower amount can withdraw from its bank?

8 Q. Yes.

9 A. We are responsible on a peak day for all of
10 the sales customers requirements. That is correct.

11 Q. And what about for transportation
12 customers?

13 A. Transportation customers are expected to
14 source their own gas and bring that to the system.

15 They do have a right to a 20 percent
16 banking withdrawal on a peak day.

17 Q. All other things being equal -- here's
18 another hypothetical -- would a customer with an MBCQ
19 of a hundred MMBtu that moves from sales service
20 under Rider S to transportation service under Rider T
21 cause Ameren's normal winter or seasonal requirements
22 to increase, decrease, or remain the same?

1 A. Now, you're talking about seasonal
2 requirements?

3 Q. Yes.

4 A. Okay. They would stay the same because,
5 again, the customer is just moving, I'm
6 understanding, the same volume from sales going to
7 transportation.

8 Q. Would Ameren be responsible for supplying
9 gas to the new transportation customers?

10 A. The ones that converted from sales to
11 transportation, switched service?

12 Q. Yes.

13 A. They would have to provide their own gas
14 except for any banking service that we would provide.

15 Q. Would you agree that Ameren is responsible
16 for all of the sales customers seasonal load but no
17 portion of seasonal load for transportation
18 customers?

19 A. Ameren is responsible for all of the sales
20 customers' seasonal load and only has an obligation
21 for bank withdrawals for the transportation customers
22 on a seasonal basis.

1 Q. Okay. Going back to your surrebuttal
2 testimony on page 23.

3 A. Okay. I'm there.

4 Q. Starting at around 509, 510, you criticized
5 staff witness Sackett for not considering movement of
6 customers from transportation service to sales
7 service, is that correct?

8 A. I don't know if I would call it criticize.
9 I just pointed out that he did not take into account
10 customers that converted from transport back to
11 sales.

12 Q. Okay. Do you happen to have your response
13 to staff witness DR DAS 12.05 in front of you?

14 A. I do not.

15 MS. LIN: Judge, may I approach?

16 JUDGE ALBERS: Yes.

17 MS. LIN: I'm not going to use this as a cross
18 exhibit. I'm just refreshing Mr. Dothage's memory
19 with to the response that he provided to this DR.

20 MR. TROMBLEY: Ms. Lin, could can I see that?

21 MS. LIN: Sure.

22 MR. TROMBLEY: There's some markings on it.

1 (Whereupon Ms. Lin handed a
2 document to Mr. Trombley.)
3 MS. LIN: Just to refresh your memory. I'll be
4 quoting from it directly so...
5 THE WITNESS: All right.
6 Q. In that response, you responded, quote,
7 "Mr. Sackett ignored certain information or was
8 unaware of the existence of such information in
9 arriving at the conclusions contained in portions of
10 his testimony referenced."
11 Do you recall that response?
12 A. Yes, I do.
13 Q. Now, when you made that statement in your
14 response to DAS 12.05, were you referring --
15 actually, let me stop there.
16 Do you happen to have Mr. Sackett's
17 rebuttal testimony in front of you?
18 A. I do.
19 Q. Okay. I'm going to ask you to refer to
20 page 23 of Mr. Sackett's rebuttal testimony.
21 When you made the response to the DR
22 where you indicated that Mr. Sackett ignored that

1 certain information...

2 MR. TROMBLEY: I'm sorry. Can you tell me
3 where you were?

4 MS. LIN: Sure. On page 23.

5 MR. TROMBLEY: Of the rebuttal?

6 MS. LIN: Of Mr. Sackett's rebuttal testimony.

7 MR. TROMBLEY: Just one second.

8 Okay.

9 Q. BY MS. LIN: When you made the response,
10 Mr. Sackett ignored certain information,
11 da-da-da-da-da, arriving at the conclusions contained
12 in portions of his testimony referenced, were you
13 referring specifically to page 23 of Mr. Sackett's
14 testimony where he states "Customers are migrating
15 from sales to transportation service. As that
16 service becomes more equitable, this will only
17 increase."

18 Is that one of the conclusions that
19 you were referring to?

20 A. Well, I think my reference was just stating
21 that Mr. Sackett didn't acknowledge that there had
22 been customers that had moved the opposite direction.

1 Q. From transportation --

2 A. He talks about migration from sales service
3 to transportation service, but there's also instances
4 where customers are migrating from transport back to
5 sales, so it goes both directions, and the customers
6 have the option each year to choose one direction or
7 the other.

8 Q. In that same response -- I apologize. I
9 should have just kept it with you -- do you recall
10 stating that effective October 1, 2008, some AmerenIP
11 customers that were served under Rider OT elected to
12 become system sales customers instead of
13 transportation customers?

14 A. Yes, I recall that.

15 Q. I'm going to ask you, if you can, to
16 describe Rider OT as you know it to be.

17 A. Rider OT was a rate schedule that was
18 applicable to AmerenIP prior to the last rate cases
19 when services were realigned across all three Ameren
20 Illinois Utilities.

21 Q. Do you know what OT stands for?

22 A. I think it means other transportation.

1 Q. Optional transport?

2 A. Optional transportation.

3 Q. Do you know if Rider OT was the usage, or

4 under Rider OT, was the usage of transportation gas

5 required or optional?

6 A. They were transportation customers, and the

7 sales was optional.

8 Q. How about the usage?

9 A. They had the option for sales usage.

10 Q. So optional, required or optional?

11 A. My understanding of OT was that they were

12 transportation customers that had the option to

13 utilize sales service.

14 Some of them chose to, after the rate

15 schedule was done away with, some chose to stay on

16 transportation; some chose to go to sales service.

17 Q. If it was an option for these customers to

18 use sales gas, was it also an option for them to

19 deliver gas?

20 A. To deliver gas as a transportation

21 customer, is that your question?

22 Q. Yes.

1 A. Yes, they had that option as well.

2 Q. Now, are there currently any customers on
3 Rider OT?

4 A. No, that rate schedule was deleted in the
5 last case.

6 Q. That was just a one time occurrence, is
7 that correct?

8 A. It was, yes, it was a result of the last
9 rate case proceeding that new rates went into effect
10 October 1st of 2008.

11 Q. Were the customers that switched from Rider
12 OT to sales service primarily users of sales gas or
13 users of transportation gas?

14 A. I don't have that information handy or
15 available.

16 Again, they had the option of electing
17 or choosing that service, and when the rate schedule
18 was deleted, customers made an election of one
19 service or the other. Some chose to stay on
20 transportation service. Some chose to move to sales
21 service.

22 Q. For the ones that moved to sales service

1 from transportation service, is it possible that the
2 smaller OT customers used little to no transportation
3 gas?

4 MR. TROMBLEY: I object. That calls for
5 speculation.

6 JUDGE ALBERS: I'll overrule the objection.

7 A. I don't know what their usage was.

8 Q. Can a move from Rider OT to sales service
9 ever occur again, if you know?

10 A. The rate schedule OT does not exist
11 anymore, so, no, it couldn't happen again.

12 Q. Now, since that time, or, you know what,
13 let me back up.

14 Was Rider OT limited to AmerenIP?

15 A. Yes, it was.

16 Q. And since that time, have any of these
17 former OT customers moved from transportation to
18 sales?

19 A. You're talking about the customers that
20 elected at one point in time to stay on
21 transportation, have they elected since that time to
22 go to sales?

1 Q. You know what, never mind that question.

2 I'll strike that question and the answer.

3 Have any sales customers since that
4 time moved from transportation to sales?

5 A. Moved from transportation to sales -- I
6 don't understand your question.

7 Q. All right. I should say have any
8 transportation customers moved from transportation to
9 sales since that time?

10 A. Not to my knowledge, but again, customers
11 have the election, they have the right to switch
12 service once a year to be effective November 1st of
13 each year, and they could go either way.

14 Q. Okay. In your surrebuttal testimony, you
15 discuss certain methodologies, is that correct?

16 A. Can you point me to where you're
17 referencing?

18 Q. I think I have some of the page numbers
19 incorrect so let me make sure I've got them right.

20 You discuss a few starting on page 14
21 and they sort of go into page 15.

22 A. Okay. Yes. That's where I discuss the

1 Peoples Gas/North Shore model and the Nicor Gas
2 model.

3 Q. Are you familiar with these methodologies?

4 A. Yes, I am.

5 Q. Would you consider yourself very familiar
6 with these methodologies?

7 A. If I'm going to testify about it, I better
8 be familiar with it.

9 Q. Very good answer.

10 You outline what you call a material
11 defect with these methodologies, correct?

12 A. That is correct.

13 Q. Could you describe the defect or I should
14 say the material defect for each one of these
15 methods?

16 A. Sure.

17 Basically, the underlying defect in
18 both of these models or formulas is they focus on
19 seasonal storage capacity, and that's the numerator,
20 and the denominator is divided by peak deliverability
21 for the entire system, the entire Ameren Illinois
22 Utilities system, and my point is the two numbers

1 don't have any relationship to one another at all.
2 One is a seasonal storage cycle ability of a field.
3 The other is a peak day deliverability out of the
4 system. One has no correlation to the other.
5 You can divide the two. You can
6 divide the two numbers any time and have a
7 mathematical result.
8 This does have a mathematical result,
9 but it doesn't mean anything.
10 Q. Is the defect that you just described the
11 same for both the Peoples Gas model and the Nicor Gas
12 model?
13 A. Yes, it is.
14 Q. Now I'm going to direct your attention to
15 page 22 of your rebuttal testimony.
16 MR. TROMBLEY: You said the rebuttal?
17 MS. LIN: Yes, so Ameren Exhibit 44.
18 THE WITNESS: I'm sorry, Ms. Lin. What page?
19 MS. LIN: Page 22.
20 Q. On the sentence starting at line 488, you
21 have there, dividing the two procedures produces a
22 mathematical result, but the result doesn't have a

1 rational meaning in the real world of physical
2 deliverability in capacity.

3 What do you mean exactly by a rational
4 meaning in the real world of physical deliverability
5 in capacity?

6 A. As I said before, I don't think the two
7 numbers are related at all. They don't have any
8 correlation to one another or relationship to even
9 one another.

10 You know, if you're talking about
11 seasonal storage capacity, you might think to divide
12 it by deliverability out of the field or something, a
13 number like that, but again, we're not dividing these
14 models, don't use a number like that.

15 You know, a storage deliverability
16 number might have a correlation to a seasonal
17 capacity but the seasonal capacity for a storage
18 field really doesn't have a correlation to the entire
19 sendout of an LDC system.

20 Q. Is the purpose of these methods to allocate
21 seasonal capacity whether on system or total?

22 A. The two methods, that's the distinct

1 difference between the two methods. One, the Peoples
2 Gas method looks at on-system storage capacity as
3 well as off-system storage capacity, and the Nicor
4 model just focuses on on-system storage capacity.

5 Q. But don't both methods allocate seasonal
6 capacity?

7 A. Allocate to where?

8 Q. Do both models divide up seasonal capacity?

9 A. Both models make a division, mathematical
10 computation, and they purport to arrive at a number
11 of days, but it could just as easy be a number of
12 shoes because there's no relationship between the two
13 numbers, the numerator and the denominator.

14 Q. Is the purpose of these methods to
15 determine the number of days that can be delivered
16 from the respective assets?

17 A. I'm not sure that's the purpose at all.

18 Q. Do you know?

19 A. The purpose I believe is to come up with,
20 to purport to come up with a number of days for
21 transportation customers' bank entitlements.

22 That's what the models have been used

1 for previously, but again, my point is, they're
2 faulty.

3 Q. Doesn't that establish seasonal capacity?

4 A. No. Seasonal capacity is the numerator of
5 the equation.

6 Q. How about the seasonal capacity for
7 transportation customers?

8 A. I'm still not seeing the math. How would
9 that establish seasonal capacity for transportation
10 customers?

11 You're dividing seasonal capacity of a
12 storage field or a group of fields for each utility.
13 You're dividing that by the sendout, the peak day
14 sendout, and then the two numbers, one doesn't have
15 anything to do with the other.

16 Q. Do you know what the purpose of Nicor Gas's
17 methodology is for, what the purpose is for?

18 MR. TROMBLEY: I object, Your Honor. That's in
19 a different hearing, a different case. It's not up
20 to this witness to describe why Nicor or other
21 companies chose to produce a model.

22 MS. LIN: Mr. Dothage did indicate that he was

1 very familiar with these methodologies. In fact, he
2 testified with the extra commentary that he has to be
3 very familiar with these in order to testify about
4 them.

5 JUDGE ALBERS: The objection is overruled.

6 If Mr. Dothage knows, he can answer
7 the question.

8 THE WITNESS: Would you repeat your question,
9 please?

10 MS. LIN: Yes.

11 Q. Do you know what the purpose of Nicor Gas's
12 methodology is?

13 A. The purpose of the Nicor model is to
14 purportedly come up with the number of days,
15 mathematically determine the number of days that a
16 transportation customer is entitled to banking
17 service.

18 Q. The number of days for seasonal capacity or
19 peak day?

20 A. The mathematical result of the division of
21 the seasonal storage capacity by the peak sendout of
22 the system boils down to a number of days, X number

1 of days, and that X number of days is the number of
2 days that transportation customers on the Nicor
3 system have bank service.

4 Q. Does Mr. Sackett ever suggest that the
5 result of the Nicor Gas method that you've just
6 described is used to determine the amount of gas
7 deliverable from on-system storage assets on a peak
8 day?

9 A. I don't know that he ever states that, no.

10 Q. Does the Commission use these methods to
11 allocate seasonal capacity or to determine the number
12 of peak days that can be delivered from these
13 respective assets?

14 A. I don't believe so, no. I believe the
15 Commission has determined in the past to use the
16 number of days that results from the product to
17 determine how many days of bank service
18 transportation customers are entitled to, but again,
19 my point in this proceeding is the mathematical
20 computation is faulty.

21 Q. Does the Nicor Gas method attempt to
22 allocate each Ameren's LDCs total on-system capacity

1 to all customers proportionately based on peak usage
2 equally by dividing the total on-system capacity by
3 the peak design day demand?

4 A. The Nicor method does divide seasonal
5 storage capacity by the peak day sendout of the
6 utility to arrive at a mathematical result.

7 MS. LIN: I'm going to show you what I've
8 marked as Dothage Staff Cross Exhibit 1.

9 (Whereupon Dothage Staff Cross
10 Exhibit 1 was marked for
11 identification.)

12 Q. Would what you just described using the
13 Nicor gas method look something like this?

14 A. No. I'd think you would have to insert
15 total storage capacity in the numerator.

16 Q. So aside from the addition of total storage
17 capacity, the equation would be appropriate using the
18 Nicor Gas methods?

19 A. I believe that's right. Once you put the
20 storage capacity in the numerator, yes.

21 Q. Okay. To determine the allocation due to
22 each customer, would you multiply the results of this

1 calculation, again, using total storage capacity, by
2 the individual customer's MDCQ?

3 A. I'm sorry. Could you repeat that?

4 MS. LIN: Here, I'll give you another cool
5 mathematical page.

6 This will be identified as Dothage
7 Staff Cross Exhibit 2, again, adding storage to total
8 capacity.

9 (Whereupon Dothage Staff Cross
10 Exhibit 2 was marked for
11 identification as of this date.)

12 Q. By multiplying Exhibit 1 times a customer's
13 MDCQ, is that a proper way to determine the
14 allocation due to each customer, again, using the
15 Nicor Gas method?

16 A. Yeah, the Nicor Gas method that I'm
17 familiar with, that I've seen, doesn't have an MDCQ
18 factor in it multiplying.

19 Again, like I said, it's basically
20 just the total storage capacity divided by the peak
21 day system sendout.

22 Q. Don't they, however, take the total bank

1 and multiply that by a customer's MDCQ days of bank?

2 A. No. I believe the result of the division
3 like we talked about before, there's some equal
4 signs, if you want to make another exhibit here,
5 equals number of days, XX number of days.

6 Q. Right. And if you take the X number of
7 days and multiply that by a customer's MDCQ, would
8 that determine the allocation due to each customer?

9 A. If their bank is based on MDCQ for a given
10 day, yes.

11 Q. Okay. Does dividing a customer's MDCQ by
12 Ameren's peak day demand give you a customer's share
13 of the peak day usage?

14 MR. TROMBLEY: Your Honors, I object to this
15 whole line of questioning.

16 Mr. Dothage hasn't proposed the Nicor
17 model. The Nicor model was addressed in
18 Mr. Sackett's testimony. If he wants to testify as
19 to the mathematics and the formula, he had his
20 chance. It was in his direct and rebuttal testimony.
21 We don't need to go for another 20 minutes on this.

22 JUDGE ALBERS: Well, I had a similar question.

1 How much more did you have in this area?

2 MS. LIN: Two more questions, and again, I'd
3 just remind the Commission that Mr. Dothage testified
4 that there was a material defect in these, and he's
5 criticizing the methods. He indicated he was very
6 familiar with these methods, and I'm just asking him
7 to clarify or at least tell us what's wrong with
8 them.

9 JUDGE ALBERS: All right. I'll allow the
10 questions.

11 MS. LIN: So let me reask the question.

12 Q. Does dividing a customer's MDCQ by Ameren's
13 peak day demand give you a customer's share of the
14 peak day usage?

15 A. My numerator is a customer's MDCQ?

16 Q. Yes.

17 A. The nominator is --

18 Q. Ameren's peak day demand.

19 A. That would give you the percentage that
20 that customer represented of Ameren's total peak day
21 demand, yes, and those two numbers have a correlation
22 to one another as well.

1 Q. Could you allocate a portion of Ameren's
2 total on-system capacity to a customer based on peak
3 usage?

4 You know what, let's get another fun
5 chart. This actually would be Dothage Staff Cross
6 Exhibit No. 3, not 4 as listed on the exhibit.

7 (Whereupon Dothage Staff Cross
8 Exhibit 3 was marked for
9 identification as of this date.)

10 Q. So the question is, could you allocate a
11 portion of Ameren's total on-system capacity to a
12 customer based on peak usage by multiplying the total
13 on-system capacity by the customer's portion of peak
14 design day usage as this equation indicates?

15 A. Am I putting storage in between total and
16 capacity?

17 Q. Yes.

18 A. Okay.

19 MR. TROMBLEY: I object again, Your Honor. I
20 don't think Mr. Dothage referred to the formula on
21 the left side of the column using the words that
22 staff counsel suggested.

1 JUDGE ALBERS: I'm going to give this a little
2 more leeway but try to wrap up this line. We're
3 straining I believe a little bit.

4 MS. LIN: This is the last question.

5 JUDGE ALBERS: Okay.

6 Q. BY MS. LIN: Could you allocate a portion
7 of Ameren's total on-system capacity to a customer
8 based on peak usage by multiplying the total
9 on-system storage capacity by the customer's portion
10 of peak design day usage?

11 A. This would certainly be one way to do it.
12 There would also be numerous other ways that you
13 could allocate storage capacity.

14 This is not, however, the Nicor
15 method. This is not the Peoples method either on
16 this sheet of paper.

17 Q. Okay. I'm going to have you look at Cross
18 Exhibit No. 2 and then look at Exhibit No. 3
19 together, again, adding total storage capacity.

20 A. I've got a 1, 2, and a 4.

21 Q. I'm sorry. 4 should be changed to 3.

22 A. Okay.

1 Q. So looking at 2 and 3 together, aren't
2 those mathematically equivalent?

3 A. Now you're really testing me.

4 Q. Subject to check, are they mathematically
5 equivalent? And I'm not good at math but I've been
6 told it's the same.

7 In your expertise, would you agree
8 subject to check that these two equations depicted in
9 Cross Exhibit 2 and Cross Exhibit No. 3 are the same?

10 A. I believe they are the same, mathematically
11 the same.

12 Q. Yes, mathematically the same.

13 Okay. We're done with these fun
14 formulas.

15 What allocator does Ameren use to
16 allocate underground on-system storage costs to
17 transportation customers?

18 A. To allocate the cost to transportation
19 customers?

20 Q. Underground on-system storage costs.

21 A. In this proceeding or previous proceedings?
22 Can I have some clarification on that?

1 Q. Currently, in this proceeding.

2 A. In this proceeding, I believe on-system
3 storage is proposed to be allocated based on the
4 transportation customer's peak day.

5 Q. I'm going to direct your attention now back
6 to your surrebuttal testimony. You state, starting
7 around line 315, you state that that proposal is
8 better for customers and inconsistent with the firm
9 boundaries of the Nicor model and Peoples Gas/North
10 Shore model.

11 Do you recall testifying to that? Oh,
12 you know what, I'm sorry.

13 A. Yeah, I think you're on the wrong page
14 there or the wrong question maybe.

15 Q. Let me find the right line number. It's
16 actually on page 13 starting at line 284.

17 What limits do you place on a
18 customer's ability to subscribe to a bank?

19 A. This question and answer doesn't discuss
20 any limits that we're proposing to put on banks or
21 that we have on banks.

22 Q. Right, but you talk about transportation

1 customers having the opportunity to choose the level
2 of banking service that they desire.

3 A. Yes.

4 Q. What limits would you place on a customer's
5 ability to subscribe to a bank as they choose their
6 level of banking service?

7 A. I think that's something to be explored in
8 the workshops that we're discussing in this testimony
9 here.

10 The point of the workshops and my
11 proposal is to let the customers decide what level of
12 banks they choose to have, not for me to decide or
13 Mr. Sackett to decide. Let the customers decide.

14 Q. Would they be allowed to subscribe to more
15 than ten days?

16 A. I would think that would be reasonable if
17 they were willing to pay for that service, yes.

18 Q. Now, I'm going to refer again back to page
19 14 to line 315 of your surrebuttal testimony. That's
20 where you discuss the firm boundaries of the Peoples
21 Gas and Nicor model, if you recall?

22 A. This is at line 315?

1 Q. Yes. Starting at line 315, you testified,
2 "That proposal is better for customers and
3 inconsistent with the firm boundaries of the Nicor
4 model and Peoples Gas/North Shore model."

5 What do you mean by firm boundaries?

6 A. Basically what the models produce. The
7 models are intended to produce a number of days that
8 transportation customers are entitled to bank
9 service, however that mathematically comes out,
10 although, as I pointed out, I believe the methods are
11 flawed, and what I'm saying here is, as a result of
12 the workshops, we should be able to let the customers
13 decide what levels of bank service they choose and
14 they choose to pay for.

15 Q. Do you know if Nicor Gas allows for a
16 subscribable bank?

17 A. I believe they do.

18 Q. And how about Peoples Gas?

19 A. I'm not sure about Peoples.

20 Q. Are the Ameren's off-system storage
21 contracts multi-year contracts?

22 A. They are long-term contracts, yes

1 multi-year.

2 Q. And when does Ameren change its off-system
3 storage portfolios? Do you know if it's during the
4 injection season or the withdrawal season?

5 A. We will typically change storage contracts
6 at the end of the season, at the end of the
7 withdrawal season, which is also the beginning of the
8 injection season.

9 Q. Thank you.

10 What months would that be in?

11 A. Typically April 1st and October 31.

12 Q. And during that time, do you use the
13 injection season to fill the storage for withdrawal
14 during the withdrawal season?

15 A. During the injection season, we inject
16 during the winter withdrawal season, yes.

17 Q. And what months would that withdrawal
18 season be?

19 A. Typically November through March.

20 Q. And in your opinion, do the other LDCs do
21 the same or are likely to do the same, give or take
22 the months?

1 A. Yeah, I think there's probably -- depends
2 on the service they have from the pipelines or
3 storage companies that they have contracts with, but
4 generally, your withdrawal season is wintertime, and
5 your injection season is summertime.

6 Q. Thank you.

7 Now, I'm going to direct your
8 attention again to your surrebuttal testimony on page
9 25, the paragraph starting at line 552.

10 You provide evidence that there is not
11 currently any off-system storage available, is that
12 correct?

13 A. I'm stating that there's -- we've
14 identified four pipelines that currently, currently
15 as of the date this was written, did not have any
16 storage capacity available on their systems.

17 Q. And you filed your surrebuttal testimony on
18 December 2 of 2009, correct?

19 A. I believe that might be the original. All
20 I have here is the revised.

21 Q. I'm sorry. Your revised was filed on
22 December 8th of 2009?

1 A. Correct.

2 Q. And what date did you make the observations
3 about the off-system storage?

4 A. I believe it would have been the day prior,
5 two days prior, something like that, to this
6 testimony being filed.

7 Q. To the original surrebuttal or to the
8 revised surrebuttal?

9 A. The original surrebuttal.

10 Q. And again, the original surrebuttal was
11 filed on December 2, and then the revised surrebuttal
12 was filed on December 8, is that correct, if you
13 recall?

14 A. That sounds about right.

15 Q. Subject to check?

16 A. Yes.

17 Q. Now, you first made the assertion that the
18 major risk and harm was that capacity may not be
19 available in your rebuttal testimony, correct?

20 A. I said that was one of the risks, yes.

21 Q. Did you say it was a major risk?

22 A. Can you point me to --

1 Q. Page 23 in your rebuttal testimony.

2 A. Yes, I do say the major risk and harm to
3 sales customers is that the new seasonal storage
4 capacity required may not be available in the
5 marketplace.

6 Q. You didn't provide this evidence as part of
7 your rebuttal testimony, is that correct, about the
8 lack of capacity?

9 A. No, other than the statement I just read
10 that it was a risk factor that should be considered.

11 Q. And then you filed your rebuttal testimony
12 on October 23 of 2009, correct?

13 MR. TROMBLEY: Your Honor, she's asked that
14 question several times.

15 MS. LIN: I said rebuttal testimony. This is
16 the first time I've discussed rebuttal. It's just a
17 yes or no question.

18 JUDGE ALBERS: I think Ms. Lin is correct.

19 THE WITNESS: October 23rd is correct, yes.

20 Q. BY MS. LIN: Okay. And is this the
21 injection season or the withdrawal season for Ameren?

22 A. October 23rd?

1 Q. Yes.

2 A. We would be injecting gas in the fields
3 that we still are in injection mode.

4 Q. Would you consider it the end of injection
5 mode?

6 A. Toward the end, yes.

7 Q. You waited to provide this evidence in your
8 surrebuttal testimony which included these
9 observations that occurred in the withdrawal season,
10 correct?

11 A. You said I waited?

12 Q. Right.

13 A. I don't think I waited. I didn't withhold
14 this information. I actually went and did the
15 research prior to filing my surrebuttal.

16 Q. But part of your -- well, your rebuttal
17 testimony was filed during the withdrawal season or
18 the injection season, correct? Didn't we just
19 establish --

20 A. I think we established it was filed on
21 October 23rd, yes.

22 Q. Right.

1 And then you filed your surrebuttal
2 testimony on December 9th?

3 A. December 8th I think.

4 Q. Or December 8th.

5 And you're just waiting to provide the
6 evidence in your surrebuttal. You didn't talk about
7 it in your rebuttal testimony, correct? You just
8 made the statement --

9 A. I did not have the evidence when I did my
10 rebuttal.

11 When I was working on my surrebuttal,
12 I did the research, went onto the pipeline Web sites,
13 found that four pipelines were sold out of storage
14 capacity, and I put that information into my
15 surrebuttal testimony.

16 Q. The observations you made that you just
17 discussed right now looking online for the pipeline
18 capacities, these observations occurred in the
19 withdrawal season, correct?

20 A. They occurred --

21 MR. TROMBLEY: I object, Your Honor. She's
22 asked the same question several times.

1 He said that information was not in
2 his rebuttal but was in his surrebuttal.

3 JUDGE ALBERS: Sustained.

4 Q. BY MS. LIN: If Ameren and other LDCs are
5 making most of their pipeline storage changes at the
6 beginning of the injection season and then using
7 storage gas to meet winter requirements, does it
8 surprise you that there is no capacity less than a
9 month into the withdrawal season?

10 A. No.

11 Q. All right. I'm directing your attention to
12 your surrebuttal testimony again. Let me find the
13 correct page. I'm just going to ask you if you
14 recall.

15 Do you recall discussing the assets
16 required to support peak day requirements to serve
17 sales customers' and transportation customers' peak
18 day bank withdrawals? Do you remember discussing
19 that in your surrebuttal testimony?

20 A. If you can repeat it again, I might recall.

21 Q. It's on page 24 towards the bottom.

22 You discuss the assets required to

1 support peak day requirements to serve sales
2 customers' and transportation customers' peak day
3 bank withdrawal rights. Do you recall?

4 A. I don't see it at the bottom of 23 but I do
5 recall discussing it.

6 Q. It was actually on page 24, towards the
7 bottom of page 24.

8 A. Line?

9 Q. I believe it's in response to the question
10 beginning at line 531.

11 A. There I talk -- yeah. I mean, I'm
12 discussing there changes to the level of portfolio
13 resources.

14 Q. What is a bank withdrawal?

15 A. Pardon me?

16 Q. What is a bank withdrawal?

17 A. That is a withdrawal, basically an
18 imbalance that the customer, transportation customer
19 when they short the system; in other words, they
20 don't put as much gas into the system as they use at
21 their plant or facility.

22 If they have banking rights and a

1 banking balance, they can pull from that bank to make
2 up some of that shortfall in their supply.

3 Q. And what's a daily confirmed nomination, or
4 DCN for short?

5 A. A daily confirmed nomination is an election
6 made by the transportation customer, communication of
7 an election that they make of what level of gas they
8 are nominating into the LDC system.

9 Q. When a customer withdraws gas from its
10 bank, is DCN equal to, greater than or less than
11 usage on that day?

12 A. If they're withdrawing from their bank,
13 their DCN would be less than their usage on that day.

14 Q. So on any day that a daily balance
15 transportation customer who has a bank withdrawal,
16 DCN must be less than usage, correct?

17 A. If they're withdrawing from their banks,
18 their DCN would be less than their usage, yes.

19 Q. On a peak design day, would you assume that
20 transportation customers will normally have bank
21 withdrawals?

22 A. I don't know. It depends on what the

1 customer nominates and what their usage would be as
2 to whether they wind up withdrawing from the banks
3 and whether they have a bank balance. They may not
4 have a bank balance.

5 Q. What does your plan assume for
6 transportation customers as a group?

7 A. What plan are you talking about?

8 Q. Your peak design day demand.

9 A. Our peak design day we build in the -- and
10 this came out at the last rate case. We have the
11 firm obligation on a peak day to deliver up to 20
12 percent for the large customers and up to 50 percent
13 for small customers of their DCN.

14 Q. Thank you.

15 You had submitted a supplemental
16 response to -- actually, you know what, do you
17 remember making that change in your testimony that
18 counsel had asked you about switching the reserve
19 margin from 22.6 to 18.8 percent before
20 cross-examination began?

21 A. Yes, I do.

22 Q. Was that revision a mathematical error on

1 your part?

2 A. Yes, it was.

3 Q. And so when Mr. Sackett used that 22.6

4 percent reserve margin when he referenced it in his

5 rebuttal testimony, that was simply based on the 22

6 percent original mathematically wrong amount, is that

7 correct?

8 A. That's correct.

9 MS. LIN: Thankfully I'm done with questions

10 for now. Thank you, Mr. Dothage.

11 THE WITNESS: You're very welcome.

12 JUDGE ALBERS: Any redirect?

13 MR. TROMBLEY: Can we take about five minutes,

14 please?

15 JUDGE ALBERS: Yes. Why don't we all take five

16 minutes.

17 (Recess taken.)

18 JUDGE ALBERS: Any redirect?

19 MR. TROMBLEY: No redirect, Your Honor.

20 JUDGE ALBERS: Any objection then at this time

21 to his previously identified exhibits?

22 MS. LIN: Judge, actually, we'd only be looking

1 to admit 2 and 3.

2 MR. TROMBLEY: I object, Your Honor.

3 Exhibits 2 and 3 are full of errors. Mr. Dothage
4 pointed out he would hate to put something that's
5 incomplete in the record.

6 MS. LIN: Just in response. It just sort of
7 clarifies the line of questioning we had gone
8 through, the brutal line of questioning we went
9 through earlier, and it just helps because we
10 actually didn't talk about what was on the exhibits.
11 We just asked Mr. Dothage to say is that what it
12 says, is that what it says. So it just sort of lends
13 clarification to the record.

14 JUDGE ALBERS: I'll give you a point for
15 honesty. That was brutal.

16 MR. TROMBLEY: Your Honor, he did talk about
17 it, and he did point out the problems with the tables
18 and the formulas, and I just hate to have something
19 in the record that's incorrect.

20 JUDGE ALBERS: I guess just for clarification,
21 the one correction I caught was changing total
22 capacity in both exhibits to total storage capacity?

1 Is that what was agreed to?

2 THE WITNESS: Well, and I think also the fact
3 that these don't reflect the Nicor or Peoples models.

4 JUDGE ALBERS: I recall that. No further
5 testimony.

6 THE WITNESS: I don't know what they mean.

7 MS. LIN: Yes, Judge, just with the addition
8 of, if you should let this go in, just with the
9 addition of storage.

10 JUDGE ALBERS: Just 2 and 3, is that what you
11 said?

12 MS. LIN: Yes, Judge.

13 (Whereupon an off-the-record
14 discussion transpired between
15 the ALJs at this time.)

16 JUDGE ALBERS: I think as a practical matter,
17 we heard enough about them. Whether they're in or
18 not will probably not make that much of a difference
19 but it tends to lend a little clarity as to what was
20 discussed. I'll overrule the objections and allow
21 them in.

22

1 (Whereupon Dothage Staff Cross
2 Exhibits 2 and 3 were admitted
3 into evidence at this time.)

4 MR. TROMBLEY: Can I ask one big redirect
5 question if you're going to allow them in the record?
6 Have I missed that opportunity? One single question?

7 JUDGE ALBERS: I'll allow you that.

8 REDIRECT EXAMINATION

9 BY MR. TROMBLEY:

10 Q. Mr. Dothage, to the extent any of the
11 formula referred to the Nicor model, which you said
12 it doesn't, would adding the word storage between the
13 words total and capacity completely -- would that
14 address, would that make that look like the Nicor
15 model?

16 A. No.

17 JUDGE ALBERS: Any recross?

18 MS. LIN: Oh, no, no, no. Thanks.

19 JUDGE ALBERS: Okay. And then I'll just make a
20 note here.

21 Okay. Is there any objection then to
22 Mr. Dothage's testimony, his own testimony?

1 MS. LIN: I'm sorry. I wasn't even paying very
2 much attention just now. Can you ask what you had
3 just asked me?

4 JUDGE ALBERS: That's okay. That's all right.

5 MS. LIN: I'm beyond brain dead at this point.

6 JUDGE ALBERS: That's okay.

7 MS. LIN: I do have no objection to the entry
8 of Mr. Dothage's testimony.

9 JUDGE ALBERS: All right. Hearing no
10 objection, then the previously identified exhibits of
11 Mr. Dothage are admitted.

12 (Whereupon Ameren 22.0G, 22.1G,
13 22.2G, 44.0 thru 44.5 and 64.0
14 Revised were admitted into
15 evidence at this time.)

16 JUDGE ALBERS: Thank you, sir.

17 (Witness excused.)

18 MR. TOMC: Your Honor, I do have one matter to
19 take up.

20 As counsel noted before the
21 examination of Mr. Dothage, we did agree to waive
22 cross with Constellation New Energy, and part of that

1 was an agreement that certain data requests be
2 entered into the record, and staff has also agreed
3 that those data requests be entered into the record,
4 and I believe we had an inquiry about how to
5 procedurally handle that.

6 One thought that occurred to me was we
7 could file those electronically on e-docket to save
8 time at the hearing if that would be preferred.

9 JUDGE ALBERS: Okay. Were they kind of in the
10 nature of a cross exhibit for Mr. Sackett? That was
11 my interpretation.

12 MS. LIN: It should be in -- we will be
13 entering I think, after all of our cross-examination
14 is done, a big chunk of DRs that staff and Ameren
15 have agreed to stipulate into the record, and the one
16 that Mr. Tomc is referring to is DAS 14.01 which is
17 going to be in that chunk of stuff.

18 MR. TOMC: I think though we do have an
19 understanding. I'm looking at our data request it's
20 been stipulated to that we'd be filing, and I believe
21 they are included in there, and yours would be
22 included in yours, so I think we have the matter

1 clarified, and they will be filed on e-docket.

2 JUDGE ALBERS: I'm glad you guys know what
3 you're doing then.

4 Mr. Bridal, were you sworn in earlier?

5 THE WITNESS: I was.

6 MS. LIN: Good afternoon, Mr. Bridal.

7 THE WITNESS: Good afternoon.

8 RICHARD W. BRIDAL

9 called as a witness herein, on behalf of staff of the
10 Illinois Commerce Commission, having been first duly
11 sworn on his oath, was examined and testified as
12 follows:

13 DIRECT EXAMINATION

14 BY MS. LIN:

15 Q. Can you please introduce yourself to the
16 Commission, please?

17 A. My name is Richard W. Bridal, spelled
18 B-r-i-d-a-l, II.

19 Q. Mr. Bridal, who do you work for and what is
20 your position?

21 A. I am an accountant in the Financial
22 Analysis Division of the Illinois Commerce

1 Commission.

2 Q. And I'm going to direct your attention to a
3 document that you have before you previously
4 identified as ICC Staff Exhibit 4.0 which is your
5 direct testimony.

6 Do you have that in front of you?

7 A. I do.

8 Q. There are several schedules and attachments
9 attached to your direct testimony, aren't there?

10 A. Yes, there are.

11 Q. Do you have any additions or corrections to
12 make to ICC Staff Exhibit 4.0 to either of the
13 schedules or the attachments or the testimony?

14 A. I do not.

15 Q. Is everything contained in that testimony
16 true and accurate to the best of your knowledge and
17 belief?

18 A. It is.

19 Q. I'm also going to direct your attention to
20 a document you have in front of you which has been
21 previously identified as ICC Staff Exhibit 18.0R
22 which is your revised rebuttal testimony with

1 attached schedules and one attachment.

2 Do you have that before you?

3 A. I do.

4 Q. Do you have any additions or corrections to
5 your revised rebuttal testimony, the schedules or the
6 attachment?

7 A. I do not.

8 Q. And is everything contained in your revised
9 rebuttal testimony true and accurate to the best of
10 your knowledge and belief?

11 A. Yes, it is.

12 MS. LIN: At this time, Judge, I'd move for the
13 admission of ICC Staff Exhibit 4.0 with schedules and
14 attachments and ICC Staff Exhibit 18.0R with attached
15 schedules and attachment and tender Mr. Bridal for
16 cross-examination.

17 JUDGE ALBERS: Any objection at this time?

18 Hearing none, any questions for
19 Mr. Bridal?

20 MR. DeMONTE: I have a few.

21 Good morning, Mr. Bridal.

22 THE WITNESS: Good afternoon.

1 MR. DeMONTE: Oh, good afternoon. I should
2 tell you this is one of my first, so already I start
3 off on the right foot.

4 We have not met before. My name is
5 Mark DeMonte, and I represent the Ameren Illinois
6 utilities in these proceedings, and I just have a few
7 general questions for you this afternoon.

8 CROSS-EXAMINATION

9 BY MR. DeMONTE:

10 Q. Mr. Bridal, would you agree that someone
11 who is unemployed with no other source of income
12 might have difficulty paying a utility bill?

13 A. That sounds reasonable.

14 Q. Would you also agree that this person might
15 benefit from the creation of jobs in their community,
16 a job that if they were unemployed they could apply
17 for and potentially get?

18 A. I have had no reason to disagree with that.

19 Q. And if this unemployed individual was able
20 to obtain this job, wouldn't you agree they would be
21 in a better position to pay their utility bills?

22 A. Perhaps.

1 Q. Do you have any reason to believe that
2 someone who wasn't employed and then subsequently
3 became employed wouldn't be in a better position to
4 pay their utility bill?

5 A. Not to be argumentative but I think there's
6 any number of things that could come into play like
7 the level of the income that they would be receiving
8 from that employment or the level of their utility
9 bill.

10 Q. Okay. But as a general proposition, you
11 don't disagree with that?

12 A. It sounds reasonable.

13 Q. Mr. Bridal, would you agree that a utility
14 should address its customers questions and concerns?

15 MS. LIN: Regarding what, Mr. DeMonte?

16 Q. Mr. Bridal, did you not understand the
17 question?

18 A. I actually was having the same question.

19 Q. Sure.

20 If a customer was to call into a
21 utility with respect to the provision of utility
22 service, do you believe that the utility should

1 address and answer the customer's questions or
2 concerns?

3 A. Yes.

4 Q. And would you agree that doing so is
5 essential in providing safe, adequate and reliable
6 utility service?

7 A. Define essential.

8 Q. Essential as in if a utility customer calls
9 in with a question about the provision of service,
10 the utility should address those customers questions
11 and concerns, and if they fail to do so, they would
12 be failing in one of the essential functions of a
13 utility?

14 A. I could agree that they weren't fulfilling
15 that essential function, but I would not agree that
16 they would not be able to provide utility service.

17 Q. But you would agree that the utility would
18 be fulfilling an essential function in answering the
19 customers questions and concerns, correct?

20 A. And which questions and concerns?

21 Q. About the provision of utility service.

22 A. That sounds reasonable.

1 Q. Would you also agree that the Ameren
2 utilities should work to avoid disruption to existing
3 customers when connecting any new customers? Does
4 that sound reasonable to you?

5 MS. LIN: Judge, just to interject real
6 quickly, I don't know where this line -- I think I
7 know where this line of questioning might be going
8 but I'm not for sure, and I'm just a little
9 concerned. Mr. Bridal's expertise is in accounting.
10 He's an accounting witness and not necessarily a
11 policy witness, and some of these questions appear to
12 be policy-related.

13 MR. DeMONTE: I can respond or if you're
14 inclined to deny it, I won't respond.

15 JUDGE ALBERS: What are your thoughts,
16 Mr. DeMonte?

17 MR. DeMONTE: Again, if you're already headed
18 one way.

19 Your Honor, I'd just ask for some
20 leniency. Mr. Bridal has made recommendations to
21 disallow certain cost recovery for economic
22 development, and we believe that this goes directly

1 to his --

2 JUDGE ALBERS: He's an accountant. I'll grant
3 you some leeway for a while here to see how far this
4 goes or where it goes.

5 MR. DeMONTE: Thank you, Your Honor.

6 JUDGE ALBERS: Again, bear in mind that he is
7 an accountant and not one of the policy experts with
8 the Commission.

9 MR. DeMONTE: Thank you, Your Honor.

10 THE WITNESS: Could you please repeat the
11 question?

12 MR. DeMONTE: Sure.

13 Q. Do you agree that the AIU should work to
14 avoid disruption to existing customers when
15 connecting new customers?

16 A. I agree they should work towards that at
17 all times.

18 Q. And, in fact, doing so is essential when
19 providing safe, adequate and reliable utility
20 service, right?

21 A. I don't know that I'm qualified to answer
22 that.

1 Q. If the utility spent certain amounts on
2 insuring that unnecessary disruption was to occur,
3 would you agree that they should recover those
4 expenses?

5 A. To the extent that they are recoverable
6 under the Public Utilities Act and they are
7 reasonable and prudent costs.

8 Q. And that was a yes?

9 A. Yes, with that qualification.

10 Q. Would you agree that if the Ameren Illinois
11 Utilities increase their customer base, doing so
12 would spread their fixed operating costs across a
13 larger number of customers?

14 A. At any single point in time, yes.

15 Q. So that was a yes to my question?

16 A. With that qualification, yes.

17 MR. DeMONTE: Could I just have a moment?

18 JUDGE ALBERS: Yes.

19 (Pause)

20 Q. Mr. Bridal, to follow up on my last
21 question, adding customers to the existing customer
22 base provides a benefit to existing customers,

1 doesn't it?

2 A. What benefit would you be speaking of?

3 Q. By spreading out those fixed operational
4 costs.

5 A. I think I just answered that in the
6 previous question. At any point in time, yes.
7 However, if you're going to be adding those customers
8 say between rate cases, I believe the company would
9 see a benefit there in addition to other times.

10 MR. DeMONTE: Your Honor, I would move to
11 strike, respectfully so, move to strike all the
12 answer after yes because he had sort of added -- the
13 question was whether or not existing customers had a
14 benefit, and I believe that that second portion of
15 the answer went to whether or not the company had a
16 benefit.

17 JUDGE ALBERS: I'll grant that motion, but
18 Ms. Lin has an opportunity for redirect so we may
19 hear it again.

20 MR. DeMONTE: Thank you, Mr. Bridal. No
21 further cross.

22 JUDGE ALBERS: I don't think anyone else had

1 questions for Mr. Bridal.

2 Did staff have redirect?

3 MS. LIN: Judge, if we could just have a few

4 minutes with Mr. Bridal.

5 JUDGE ALBERS: Okay.

6 (Pause)

7 (Whereupon Ameren Group Hearing

8 Exhibit 1 was marked for

9 identification as of this date.)

10 JUDGE ALBERS: Back on the record.

11 Any redirect?

12 MS. LIN: Just a couple questions.

13 REDIRECT EXAMINATION

14 BY MS. LIN:

15 Q. Mr. Bridal, Mr. DeMonte had asked you to

16 surmise about what would happen if additional new

17 customers were added.

18 Do you recall that line of

19 questioning?

20 A. I do.

21 Q. What would be the implication of adding new

22 customers in between rate cases?

1 A. Rates would have been set at the rate case,
2 so the addition of new customers between rate cases
3 would have the affect of increasing company revenues.

4 Q. And Mr. DeMonte had also asked you a
5 question -- and I'm paraphrasing -- he'd asked you a
6 question about how operating expenses could be spread
7 out among old customers if new customers were added.
8 Do you recall that question?

9 A. Yes, I do.

10 Q. What would happen to operating expenses and
11 fixed costs should new customers come in between rate
12 cases? What would happen to those fixed costs and
13 operating expenses in the next rate case?

14 A. Well, the rates would be set, so while
15 those new customers come in, you know, the costs are
16 fixed.

17 With the new rate case, presumably,
18 you'd have increased cost of plant, increased
19 operational costs related to customer service,
20 increased costs in general.

21 Q. Increased costs to serve those new
22 customers, correct?

1 A. That's correct.

2 MS. LIN: I think that's it, Mr. Bridal. Thank
3 you.

4 JUDGE ALBERS: Any recross?

5 MR. DeMONTE: No recross, Your Honor.

6 JUDGE ALBERS: Thank you.

7 Thank you, Mr. Bridal.

8 (Witness excused.)

9 JUDGE ALBERS: Any objection then to any of the
10 exhibits? AIU has no objection to Mr. Bridal's
11 exhibits?

12 MR. DeMONTE: We do not, Your Honor.

13 JUDGE ALBERS: Hearing no objection, the
14 previously identified exhibits of Mr. Richard Bridal
15 are admitted.

16 (Whereupon ICC Staff Exhibits
17 4.0 and 18.0R were admitted into
18 evidence at this time.)

19 MS. LIN: So we took a quick break between gas
20 being withdrawn and storage and all this but we'd
21 call David Sackett.

22 Good afternoon, Mr. Sackett.

1 THE WITNESS: Good afternoon.

2 DAVID SACKETT

3 called as a witness herein, on behalf of staff of the
4 Illinois Commerce Commission, having been first duly
5 sworn on his oath, was examined and testified as
6 follows:

7 DIRECT EXAMINATION

8 BY MS. LIN:

9 Q. Could you introduce yourself to the
10 Commission, please?

11 A. I'm David Sackett. I work here at the
12 Commission.

13 Q. And what do you do?

14 A. I'm an economic analyst for the policy
15 group.

16 Q. I'm going to direct your attention to a
17 document you have before you entitled ICC Staff
18 Exhibit 14.0. Is that your direct testimony with
19 Attachments A through C?

20 A. Yes, it is.

21 Q. Do you have any corrections or revisions to
22 your direct testimony?

1 A. No, I do not.

2 Q. And is everything contained in your direct
3 testimony true and accurate to the best of your
4 belief?

5 A. Yes, it is.

6 Q. I'm going to direct your attention to ICC
7 Staff Exhibit 27.0R. Is that the revised rebuttal
8 testimony that you prepared for this proceeding with
9 Attachments A through C?

10 A. Yes, it is.

11 Q. Do you have any changes to that document?

12 A. No, I do not.

13 Q. Is everything contained in that document
14 true and accurate to the best of your knowledge and
15 belief?

16 A. Yes, it is.

17 MS. LIN: At this time, I would move for the
18 admission of ICC Staff Exhibits 14.0 and 27.0R with
19 attachments thereto and tender Mr. Sackett for
20 cross-examination.

21 JUDGE ALBERS: Any objection at this time?

22 Hearing none, we'll move on with the

1 cross-examine.

2 Mr. Trombley?

3 MR. TROMBLEY: I'd like to go last, please.

4 JUDGE ALBERS: Okay. Does if IIEC still have

5 questions?

6 MR. ROBERTSON: No.

7 JUDGE ALBERS: Okay. Then you're first.

8 MR. TROMBLEY: Good afternoon, Mr. Sackett,

9 Peter Trombley on behalf of Ameren.

10 THE WITNESS: Good afternoon.

11 MR. TROMBLEY: I have only a few questions for

12 you today.

13 CROSS-EXAMINATION

14 BY MR. TROMBLEY:

15 Q. First, would you agree with me that a

16 transportation customer can nominate up to the

17 customer's MDCQ?

18 A. Yes.

19 Q. Would you agree that the customer has

20 discretion on the level of nomination it would submit

21 to the utilities between zero and the MDCQ?

22 A. Yes.

1 MR. TROMBLEY: That's all, Your Honor.

2 JUDGE ALBERS: Okay. Any redirect?

3 MS. LIN: No.

4 JUDGE ALBERS: All right. Any objection then

5 to Mr. Sackett's testimony?

6 Hearing none, the previously

7 identified exhibits are admitted.

8 (Whereupon ICC Staff Exhibits

9 14.0 and 27.0R were admitted

10 into evidence at this time.)

11 JUDGE ALBERS: Thank you, Mr. Sackett.

12 (Witness excused.)

13 JUDGE ALBERS: I think now all we have left are

14 those witnesses for whom no cross has been indicated,

15 and Mr. Borovik asked if he could get Mr. Effron's

16 testimony on, so if you'd like to approach,

17 Mr. Borovik.

18 MR. BOROVIK: Thank you, Your Honor.

19 Your Honor, the AG and CUB would like

20 to go through the exhibits list of David J. Effron.

21 Mr. Effron filed his corrected direct

22 testimony on October 2, 2009 named AG/CUB

1 Exhibit 2.0; also filed on October 2, 2009 his
2 schedules identified as AG/CUB Exhibit 2.1.

3 Then David J. Effron filed his
4 rebuttal testimony on November 20, 2009 listed as
5 AG/CUB Exhibit 4.0; also on the same date his
6 schedules AG/CUB Exhibit 4.1, and again the same
7 date, his work paper, AG/CUB Exhibit 4.2.

8 The AG and CUB now moves for admission
9 into the record of these exhibits.

10 JUDGE ALBERS: Any objection?

11 Hearing none, they are admitted.

12 (Whereupon AG/CUB Exhibits 2.0,
13 2.1 and 4.0 thru 4.2 were
14 admitted into evidence at this
15 time.)

16 JUDGE YODER: There was also the affidavit of
17 Mr. Effron filed?

18 MR. BOROVIK: That's correct. I'm sorry. That
19 was filed yesterday on e-docket, the affidavit that
20 is named I believe AG/CUB Exhibit 5.0.

21 JUDGE ALBERS: Any objection to the affidavit?

22 Hearing none, that too is admitted.

1 (Whereupon AG/CUB Exhibit 5.0
2 was admitted into evidence at
3 this time.)

4 MR. WHITT: Your Honor, in connection with the
5 admission by affidavit of Mr. Effron's testimony, I
6 had a discussion with counsel for AG and believe
7 there's mutual agreement to admit responses to AIU AG
8 1.16 and 1.17 by agreement.

9 MR. BOROVIK: That's correct.

10 MR. WHITT: Those would be reflected in an
11 exhibit list that Mr. Sturtevant will discuss
12 shortly.

13 JUDGE ALBERS: Okay. Do you just want to turn
14 to that now then?

15 MR. STURTEVANT: Sure.

16 If we could go off the record maybe
17 just for one second. I just want to confirm with the
18 various parties that we are, in fact, in agreement as
19 to what's in this document before we discuss it.

20 JUDGE ALBERS: Okay. We're off the record.

21 JUDGE YODER: Will this be called a group
22 hearing exhibit?

1 MR. STURTEVANT: Yes.

2 (Whereupon an off-the-record

3 discussion transpired at this

4 time.)

5 JUDGE ALBERS: Back on the record.

6 MR. STURTEVANT: Your Honor, I guess to begin

7 with, as a result of various negotiations for waivers

8 of reduction of cross, the parties or certain of the

9 parties including the AIUs, the staff, IIEC, CNEG,

10 and the AG have agreed to the stipulated admission of

11 certain data requests and data request responses

12 which are contained in the document that I have

13 marked Ameren Group Hearing Exhibit 1, a copy of

14 which has been provided to the court reporter, and I

15 believe will therefore be filed as a hearing exhibit.

16 JUDGE ALBERS: Any objection to Ameren Group

17 Hearing Exhibit 1? Hearing none, it's admitted.

18 (Whereupon Ameren Group Hearing

19 Exhibit 1 was admitted into

20 evidence at this time.)

21 JUDGE ALBERS: Is that it on that one then?

22 MR. STURTEVANT: That's it on that one, yeah.

1 I have various parties by affidavit but I don't know
2 how we want to proceed to get those in the record.

3 JUDGE ALBERS: It was also another group
4 exhibit then that would be tied in conjunction with
5 this one?

6 MS. VON QUALEN: Well, this would be what we've
7 entitled Staff Group Exhibit 1, and I will read to
8 you the DR responses that are included in it if you
9 would like so that we know what they are for the
10 record.

11 JUDGE ALBERS: Yes, please.

12 MS. VON QUALEN: It would be Ameren Corporation
13 borrowings which is O'Brien work paper 1, Illinois
14 facilities borrowings which is O'Brien work paper 2,
15 Moody's rating methodology documents, S&P rating
16 methodology documents, RP 4.05R, RP 5.03, RP 7.02, RP
17 9.04, RP 16.01, RP 16.02, RP 17.01, RP 17.04, Blue
18 Chip financial forecasts, 07-0585 CILCO Ex 7.0G,
19 07-0585 CILCO Ex 7.0E, MAG 14.05, MHE, 14.07, DAS
20 7.03, DAS 7.04 DAS 11.02, DAS 11.03, DAS 11.05, DAS
21 12.01, DAS 12.02, DAS 12.04, DAS 12.04 R, DAS 12.05,
22 TEE 20.03, TEE 20.04, TEE 20.08, TEE 20.13, DAS

1 13.02, DAS 13.03, DAS 14.01.

2 These have all been combined into one

3 document, and there are redacted and unredacted

4 versions because some of the responses were

5 confidential.

6 We can either give the documents to

7 the court reporter now or we could file them

8 electronically.

9 JUDGE ALBERS: Why don't you just give it to

10 her now.

11 MS. VON QUALEN: So I will give her a copy of

12 the unredacted and a copy of the redacted versions.

13 JUDGE ALBERS: Yes, please.

14 MS. VON QUALEN: And staff moves for the

15 admission of Staff Group Exhibit 1.

16 JUDGE ALBERS: Okay. Any objection?

17 Hearing none, then staff Group

18 Exhibit 1 is admitted.

19 (Whereupon ICC Staff Group

20 Exhibit 1 was marked for

21 identification and admitted into

22 evidence at this time.)

1 JUDGE ALBERS: Do you have an unredacted copy
2 for us?

3 MS. VON QUALEN: Yes, I do.

4 JUDGE ALBERS: All right. Is all that's left
5 now the affidavits or to identify the affidavits for
6 later submission?

7 JUDGE YODER: Staff did not have any remaining
8 witnesses to put in today, did it?

9 MR. OLIVERO: That's correct. I think we did
10 those the other day.

11 JUDGE ALBERS: So it's just company witnesses
12 then?

13 MR. STURTEVANT: As far as I know.

14 JUDGE ALBERS: Okay. Mr. Sturtevant, are you
15 going to handle that?

16 MR. STURTEVANT: Yes.

17 JUDGE ALBERS: One witness at a time, please.

18 MR. STURTEVANT: Sure.

19 All right. I'll start with the
20 testimony of James C. Blessing which consists of
21 Ameren Exhibit 8.0E and Ameren Exhibit 8.0G with
22 supporting exhibits identified as Ameren Exhibits 8.1

1 to 8.3. Those exhibits are supported by
2 Mr. Blessing's affidavit which is marked as Ameren
3 Exhibit 8.4.

4 JUDGE ALBERS: Any objection?

5 Hearing none, then those exhibits are
6 admitted.

7 (Whereupon Ameren Exhibits 8.0E,
8 8.0G and 8.1 to 8.4 were
9 admitted into evidence at this
10 time.)

11 JUDGE ALBERS: Okay. Next.

12 MR. STURTEVANT: Next, Your Honor, we have the
13 testimony of Daetta -- that's D-a-e-t-t-a -- K.
14 Jones. This consists of her direct testimony marked
15 as Ameren Exhibit 9.0E and Ameren Exhibit 9.0G along
16 with supporting exhibits identified as Ameren
17 Exhibits 9.1 through 9.4. Those were supported by
18 Ms. Jones' affidavit which is marked as Ameren
19 Exhibit 9.5.

20 JUDGE ALBERS: Any objection?

21 Hearing none, those exhibits are
22 admitted.

1 (Whereupon Ameren Exhibits 9.0E,
2 9.0G and 9.1 thru 9.4 were
3 admitted into evidence at this
4 time.)

5 MR. STURTEVANT: Next we have the testimony of
6 Chad W. Cloninger (C-l-o-n-i-n-g-e-r). It consists
7 of his direct testimony which has been marked as
8 Ameren Exhibit 10.0E and Ameren Exhibit 10.0G with
9 supporting exhibits Ameren Exhibits 10.1 through
10 10.3. This testimony and exhibits are supported by
11 Mr. Cloninger's affidavit which was marked as Ameren
12 Exhibit 10.4.

13 JUDGE ALBERS: Any objection?

14 Hearing none, then those exhibits are
15 admitted.

16 (Whereupon Ameren Exhibits
17 10.0E, 10.0G & 10.1 thru 10.3
18 were admitted into evidence at
19 this time.)

20 JUDGE ALBERS: Next.

21 MR. STURTEVANT: Next we have the testimony of
22 Mr. Bruce A. Steinke (S-t-e-i-n-k-e). It consists of

1 his direct testimony marked as Ameren Exhibit 20.0E
2 with supporting exhibits marked as Ameren
3 Exhibits 20.1 through 20.6. These are supported by
4 his affidavit marked as Ameren Exhibit 20.7.

5 JUDGE ALBERS: Any objection?

6 Hearing none, then those exhibits are
7 admitted.

8 (Whereupon Ameren Exhibits 20.0E
9 & 20.1 thru 20.6 were admitted
10 into evidence at this time.)

11 MR. STURTEVANT: Next we have Mr. David W.
12 Strawhun (S-t-r-a-w-h-u-n). Mr. Strawhun is offering
13 direct testimony marked as AmerenCIPS Exhibit 21.0E
14 and supporting exhibits marked as Ameren
15 Exhibits 21.1 and 21.2. Mr. Strawhun's testimony is
16 supported by his affidavit which is marked as Ameren
17 Exhibit 21.3.

18 JUDGE ALBERS: Any objection?

19 Hearing none, these those exhibits are
20 admitted.

21

22

1 (Whereupon Ameren Exhibits 21.0E
2 & 21.1 thru 21.3 were admitted
3 into evidence at this time.)

4 JUDGE ALBERS: Next.

5 MR. STURTEVANT: Next we have the testimony of
6 Charles D. Laderoute (L-a-d-e-r-o-u-t-e).
7 Mr. Laderoute prepared direct testimony that is
8 marked as Ameren Exhibit 21.0G Revised and supporting
9 exhibits identified as Ameren Exhibits 21.1G through
10 21.5G Revised, and this testimony and exhibits is
11 supported by Mr. Laderoute's affidavit which is
12 marked as Ameren Exhibit 21.6.

13 JUDGE ALBERS: Any objection?

14 Hearing none, then those exhibits are
15 admitted.

16 MR. STURTEVANT: Oh, Your Honors, I'm sorry.
17 Apparently Mr. Laderoute's accompanying exhibits are
18 21.1G Second Revised through 21.5G Second Revised.

19 JUDGE ALBERS: Okay. Thank for that.

20 Any objection to that given that
21 clarification?

22 Hearing none, then those exhibits are

1 admitted.

2 (Whereupon Ameren Exhibits 21.0G
3 Revised, 21.1G Second Revised
4 thru 21.5G Second Revised & 21.6
5 were admitted into evidence at
6 this time.)

7 JUDGE ALBERS: Off the record.

8 (Whereupon an off-the-record
9 discussion transpired at this
10 time.)

11 JUDGE ALBERS: Back on the record.

12 MR. STURTEVANT: Next we have the testimony of
13 Mark C. Lindgren (L-i-n-d-g-r-e-n). Mr. Lindgren
14 prepared direct testimony marked as Ameren
15 Exhibit 18.0E and Ameren Exhibit 18.0G and a
16 supporting exhibit identified as Ameren Exhibit 18.1
17 Revised.

18 Mr. Lindgren also prepared rebuttal
19 testimony identified as Ameren Exhibit 42.0 with
20 supporting exhibit identified as Ameren Exhibit 42.1.

21 Mr. Lindgren's direct and rebuttal
22 testimony are supported by his affidavit which is

1 marked as Ameren Exhibit 42.2.

2 JUDGE ALBERS: Any objection?

3 Hearing none, those exhibits are
4 admitted.

5 (Whereupon Ameren Exhibits
6 18.0E, 18.0G, 18.1 Revised &
7 42.0 thru 42.2 were admitted
8 into evidence at this time.)

9 MR. STURTEVANT: Next, Your Honor, we have the
10 testimony of Mark R. Livasy (L-i-v-a-s-y).
11 Mr. Livasy prepared or directed the preparation of
12 the following testimony: AmerenCILCO Exhibit 19.0E,
13 AmerenCIPS Exhibit 19.0E, AmerenIP Exhibit 19.0E,
14 AmerenCILCO Exhibit 19.0G, AmerenCIPS Exhibit 19.0G,
15 AmerenIP Exhibit 19.0G, supporting exhibits
16 identified as AmerenCILCO Exhibits 19.1, 19.3 and
17 19.5, AmerenCILCO Exhibit 19.2 Confidential,
18 AmerenCIPS Exhibits 19.1, 19.3 and 19.5, AmerenCIPS
19 Exhibit 19.2 Confidential, AmerenIP Exhibits 19.1,
20 19.3, and 19.5, AmerenIP Exhibit 19.2 Confidential,
21 Ameren Exhibit 19.4 Revised. That's his direct
22 testimony. And then he also prepared rebuttal

1 testimony marked as Ameren Exhibit 43.0 with
2 supporting exhibits, Ameren Exhibits 43.1 and 43.2.

3 Mr. Livasy's direct and rebuttal
4 testimony are supported by his affidavit which is
5 marked as Ameren Exhibit 43.3.

6 JUDGE ALBERS: Any objection?

7 Hearing none, those exhibits are
8 admitted.

9 (Whereupon AmerenCILCO
10 Exhibit 19.0E, AmerenCIPS
11 Exhibit 19.0E, AmerenIP
12 Exhibit 19.0E, AmerenCILCO
13 Exhibit 19.0G, AmerenCIPS
14 Exhibit 19.0G, AmerenIP
15 Exhibit 19.0G, AmerenCILCO
16 Exhibits 19.1, 19.3 & 19.5,
17 AmerenCILCO Exhibit 19.2
18 Confidential, AmerenCIPS
19 Exhibits 19.1, 19.3 and 19.5,
20 AmerenCIPS Exhibit 19.2
21 Confidential, AmerenIP
22 Exhibits 19.1, 19.3 & 19.5,

1 AmerenIP Exhibit 19.2
2 Confidential, Ameren
3 Exhibit 19.4 Revised, and Ameren
4 Exhibit 43.0 thru 43.2 were
5 admitted into evidence at this
6 time.)

7 MR. STURTEVANT: Next Your Honor, we have the
8 testimony of Peter J. Millburg (M-i-l-l-b-u-r-g).
9 Mr. Millburg prepared direct testimony marked as
10 Ameren Exhibit 17.0G Revised. He prepared rebuttal
11 testimony marked as Ameren Exhibit 48.0 with
12 supporting exhibits, Ameren Exhibits 48.1 and 48.2,
13 and he prepared -- I apologize. I believe Ameren
14 Exhibit 48.0 is revised rebuttal testimony, and then
15 Ameren Exhibit 58.0 Second Revised which is the
16 second revised testimony of Mr. Millburg with
17 supporting exhibit or accompanying exhibit Ameren
18 Exhibit 58.1, and these testimonies and exhibits are
19 supported by Mr. Millburg's affidavit which has been
20 marked as Ameren Exhibit 48.3.

21 JUDGE ALBERS: Any objection?

22 Hearing none, those exhibits are

1 admitted.

2 (Whereupon Ameren Exhibits 17.0G
3 Revised, 48.0 Revised, 48.1,
4 48.2, 58.0, 58.1 & 48.3 were
5 admitted into evidence at this
6 time.)

7 MR. STURTEVANT: Next, Your Honor, we have
8 testimony of Ronald D. Pate (P-a-t-e). Mr. Pate
9 prepared direct testimony consisting of Ameren
10 Exhibits 6.0E Revised and supporting exhibits
11 identified as Ameren Exhibits 6.1 through 6.6; also
12 Ameren Exhibit 6.0G.

13 Mr. Pate prepared rebuttal testimony
14 marked as Ameren Exhibit 33.0 Revised with supporting
15 exhibits marked as Ameren Exhibits 33.1 through 33.4,
16 33.5 Confidential and 33.6 through 33.7.

17 Mr. Pate also prepared surrebuttal
18 testimony marked as Ameren Exhibit 50.0 Revised with
19 supporting exhibits Ameren Exhibits 50.1 and 50.2.

20 The direct, rebuttal and surrebuttal
21 testimony of Mr. Pate are supported by his affidavit
22 which has been marked as Ameren Exhibit 50.3.

1 JUDGE ALBERS: Any objections?

2 Hearing none, then those exhibits are
3 admitted.

4 (Whereupon Ameren Exhibits 6.0E,
5 6.1 thru 6.6, 6.0G, 33.0
6 Revised, 33.1 thru 33.4, 33.5
7 Confidential, 33.6, 33.7, 50.0
8 Revised, 50.1 thru 50.3 were
9 admitted into evidence at this
10 time.)

11 MR. STURTEVANT: Next, Your Honor, we have the
12 testimony of Lee R. Nickloy N-i-c-k-l-o-y.
13 Mr. Nickloy prepared and directed the preparation of
14 rebuttal testimony which is marked as Ameren
15 Exhibit 28.0 Confidential, and he also prepared
16 surrebuttal testimony which is marked as Ameren
17 Exhibit 60.0.

18 Mr. Nickloy's rebuttal and surrebuttal
19 testimony are supported by his affidavit which is
20 marked as Ameren Exhibit 60.1.

21 JUDGE ALBERS: Any objection?

22 Hearing none, those exhibits are

1 admitted.

2 (Whereupon Ameren Exhibits 28.0
3 Confidential, 60.0 & 60.1 were
4 admitted into evidence at this
5 time.)

6 MR. STURTEVANT: Next Your Honor, we have the
7 testimony of Michael J. Getz (G-e-t-z). Mr. Getz
8 prepared or directed the preparation of direct
9 testimony which is marked as Ameren Exhibit 7.0E and
10 Ameren Exhibit 7.0G with supporting exhibits
11 identified as Ameren Exhibit 7.1 through 7.4,
12 rebuttal testimony marked as Ameren Exhibit 34.0
13 Revised with supporting exhibits Ameren Exhibits 34.1
14 through 34.10, and surrebuttal testimony marked as
15 Ameren Exhibit 61.0 Revised with supporting exhibits
16 identified as Ameren Exhibits 61.1 through 61.5.

17 The direct, rebuttal and surrebuttal
18 testimony of Mr. Getz are supported by his affidavit
19 which is marked as Ameren Exhibit 61.6.

20 JUDGE ALBERS: Any objection?

21 Hearing none, Mr. Getz's testimony is
22 admitted.

1 (Whereupon Ameren Exhibits 7.0E,
2 7.0G, 7.1 thru 7.4, 34.0
3 Revised, 34.1 thru 34.10, 61.0
4 Revised & 61.1 thru 61.6 were
5 admitted into evidence at this
6 time.)

7 MR. STURTEVANT: Next, Your Honor, we have the
8 testimony of Mr. Terry N. Tate (T-a-t-e). Mr. Tate
9 prepared or directed the preparation of surrebuttal
10 testimony marked as Ameren Exhibit 62.0 with
11 supporting exhibits identified as Ameren
12 Exhibits 62.1 through 62.7.

13 Mr. Tate's surrebuttal testimony is
14 supported by his affidavit which is marked as Ameren
15 Exhibit 62.8.

16 JUDGE ALBERS: Any objection?

17 Hearing none, then Mr. Tate's
18 testimony is admitted.

19 (Whereupon Ameren Exhibits 62.0
20 thru 62.8 were admitted into
21 evidence at this time.)

22 MR. STURTEVANT: And I'm happy to report we

1 have come to the last witness on my list. This is
2 the testimony of Vonda K. Seckler (S-e-c-k-l-e-r).
3 Ms. Seckler prepared or directed the preparation of
4 direct testimony marked as Ameren Exhibit 23.0G with
5 supporting exhibits identified as Ameren
6 Exhibit 23.1G.

7 She prepared rebuttal testimony marked
8 as Ameren Exhibit 45.0 Revised with accompanying
9 exhibit identified as Ameren Exhibit 45.1, and she
10 prepared surrebuttal testimony marked as Ameren
11 Exhibit 65.0.

12 Ms. Seckler's direct, rebuttal and
13 surrebuttal testimony are supported by her affidavit
14 which is marked as Ameren Exhibit 65.1.

15 JUDGE ALBERS: Any objection?

16 Hearing none, then Ms. Seckler's
17 testimony is admitted.

18 (Whereupon Ameren Exhibits
19 23.0G, 23.1G, 45.0 Revised,
20 45.1, 65.0 & 65.1 were admitted
21 into evidence at this time.)

22 JUDGE ALBERS: Off the record.

1 (Whereupon an off-the-record
2 discussion transpired at this
3 time.)

4 JUDGE ALBERS: Back on the record.

5 MR. STURTEVANT: All right. Your Honor, we
6 have testimony of Mr. Randall K. Lynn (L-y-n-n).
7 That consists of his direct testimony marked as
8 Ameren Exhibit 15.0E Revised and 15.0G Revised, his
9 rebuttal testimony which is marked as Ameren
10 Exhibit 38.0 with accompanying Exhibits 38.1 and
11 38.2, and surrebuttal testimony marked as Ameren
12 Exhibit 54.0 with accompanying exhibit Ameren
13 Exhibit 54.1, and it's supported by his affidavit
14 which is marked as Ameren Exhibit 54.2.

15 JUDGE ALBERS: Any objections?

16 Hearing none, then those exhibits are
17 admitted.

18 (Whereupon Ameren Exhibits 15.0E
19 Revised, 15.0G Revised, 38.0
20 thru 38.2 & 54.0 thru 54.2 were
21 admitted into evidence at this
22 time.)

1 MS. LIN: Judge, staff has two additional
2 things that we forgot earlier.

3 First of all, we will be intending to
4 file an offer of proof with regard to your previous
5 ruling to strike David Sackett's testimony, just FYI
6 on that one.

7 And, in addition, we would ask that
8 the Commission take administrative notice of all the
9 tariff sheets that have been proposed in this filing;
10 in particular, the Part 285 filing Schedule E-1 just
11 to take administrative notice of the tariff sheets
12 that Ameren has proposed.

13 JUDGE ALBERS: Is there any objection to taking
14 notice of Schedule E-1 tariff sheets?

15 MR. STURTEVANT: No.

16 JUDGE ALBERS: Okay. I assume for each of the
17 six?

18 MS. LIN: Utilities, yes.

19 JUDGE ALBERS: Okay. Hearing no objection,
20 we'll take administrative notice of Schedule E-1 for
21 each of the six 285 filings.

22 Any other matters for the record

1 today?

2 MR. STURTEVANT: Yes, Your Honor. I have just
3 a couple housekeeping matters as well.

4 I have a copy of a revised Ameren
5 Illinois Utilities exhibit list. I can either pass
6 those out or file them on e-docket or both, whatever
7 your preference is.

8 JUDGE YODER: No need to file them I guess if
9 you just want to hand them out.

10 MR. STURTEVANT: Okay. And also, I believe we
11 indicated throughout the week, there's a variety of
12 corrections and also a couple offers of proof the
13 Ameren Illinois Utilities intend to be make, and
14 those will be filed on e-docket either tomorrow or
15 Monday as with the affidavits when they're filed.

16 JUDGE ALBERS: As long as the corrections with
17 the ones we -- as long as you -- I'll try to state
18 this clearly. As long as the corrected exhibit
19 titles match what we entered into the record so
20 everything is clear what actually is, you know, part
21 of the record.

22 MR. STURTEVANT: I believe they should. It

1 would be corrections that were covered on the stand.

2 JUDGE ALBERS: Right. I would assume as much,
3 but I just wanted to state that.

4 MR. STURTEVANT: Yes. Okay.

5 JUDGE ALBERS: Okay.

6 MR. ROBERTSON: Mr. Stephens made a little
7 correction to a footnote in his testimony, and we'll
8 use the same exhibit designation as admitted and just
9 circulate that to everybody by e-mail, and we will
10 file it on the e-docket as well, but we won't call it
11 corrected revised or anything. We'll just use the
12 same designation that was used this morning.

13 JUDGE ALBERS: Okay. Anything else?

14 All right. Just as a reminder then,
15 we have our initial briefs due January 14th. Reply
16 briefs are due January 28th. And please send us the
17 briefs in Word and do not feel the need to send us
18 hard copies of any briefs since we get that
19 electronically.

20 Let me go over my notes here to make
21 sure I don't leave anything else off that I intended
22 to mention.

1 We'll be looking for that joint
2 proposed outline on December 28th that was mentioned
3 in that December 4th ruling that we issued.

4 I think that about covers it.

5 Is there anything else you can think
6 of?

7 JUDGE YODER: No.

8 JUDGE ALBERS: Okay. All right. I think just
9 to make things easier in case we find ourselves back
10 here for whatever reason, we'll just continue it
11 generally as opposed to marking it heard and taken.

12 So with that, this matter is continued
13 general.

14 (Whereupon the hearing was
15 continued generally.)

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